■ Entertainment
Rica suspended by ABS-CBN

■ Business
Public enemy No. 1: The budget deficit

■ World / A8
Bulgaria believes Iraq hostages are still alive

■ Lifestyle
Camille's gardens

Tagalog ng Bayan | A39
Sino ang bagay sa DSWD si Dingdong o si Noli?
WIN A 21" TV! TEXT 2015

Lawmaker says budget deficit begins in bedroom

By Carlos Pablo

IT SOUND true, like the best Bad Luffalo...the national budget deficit has its roots in the bedroom.

In the words of Rep. Rolando Andaya Jr. (LP, Ca-

PHILIPPINE DAILY
INQUIRER
BALANCED NEWS, FEARLESS VIEWS

Release of 2 soldiers held by rebels urged

By Christine V. Bagunoy

SOME 450 km southeast of Manila, much closer to home, two other Filipino captives and their families are agonizing.

Like their compatriot Angelo de la Cruz in Iraq, Army Lt. Rolando Federino and Pfc. Ronel Sermeno are being held but for reasons

Monday, July 12, 2004 • 32 pages / vol. 19 / no. 215 www.inquirer.net

THE PRAYER vigil continues for relatives and neighbors of Filipino hostage Angelo de la Cruz, who lit candles and held a procession around Barangay Buenavista in Malolos, Pampanga. (See story below.)

Pinoy not yet free; death threat stays

Kidnappers' demand for July 20 pullout rejected

AFTER strongly announcing that Angelo de la Cruz had been freed, the Arroyo administration yesterday refused to bow to new demands by his Iraqi captors to pull out Filipino troops from Iraq by July 20, or they would behead him.

The militants holding the 46-year-old Filipino truck driver also gave Malacañang until 11 a.m. tomorrow (around 3 a.m. today, Manila time) to show proof it was committed to removing its troops by the new deadline—barely less than away.

"In line with our commitment to the...people of Iraq, we reiterate our pullout to withdraw [sic] our troops [as] agreed to scheduled on 20 August, 2004," Foreign Secretary Delia Albert said at a news conference after an emergency Cabinet meeting.

Albert also said Labor Secretary Patricia Sto. Tomas had been asked to accompany the wife and brother of De la Cruz on Iraq "in order to be closer to the developments on the ground."

The militants had originally given the government a 24-hour ultimatum to pull its troops out from Iraq or they would execute De la Cruz. That ultimatum expired at 2 a.m. yesterday.

"We continue to do everything we can in order to secure the release of Angelo de la Cruz," Albert said.

"We continue to work both through formal and informal channels toward this end. We are hopeful that with the continued support and prayers of the people, we will finally this crisis."

The nation's latest moment of jubilation turned to pure anguish on Saturday when news that De la Cruz had been freed by his captors turned out to be false.

Amid tears and turns in the hostage crisis, the hostage-takers are not a mere thousand yesterday.

"The hostage will remain captive and treated as a prisoner under Islam until the last Filipino soldier leaves Iraq by latest July 20,... or he will be executed," the Islamic group in Iraq group said in a

AT MENDIOLA...militant groups are in an angry mood as they rally against President Arroyo for voicing "false hopes" for De la Cruz's family and supporters on his immediate release.

Prayers resume for 'Kong Ilong'

By Tonette Orejas
PDI Central Luzon Desk

ANGELO de la Cruz's relatives and kababayan (town mates) in Mexico, Pampanga, resumed their prayers in near-hysterical silence yesterday only hours after they were swept up in a wild, tumultuous carnival of television crying, dancing and swaying to the crowds, celebrating his supposed release by hostage-takers in Iraq.

Late in the afternoon in Clark Field, the 46-year-old truck driver's family rejoiced by hill the rosary rally where they had been billeted since Friday night. They were said to have proceeded to Manila, from where Arantza, De la Cruz's wife, and one brother—according to a statement by Foreign Secretary Delia Albert—were to take a flight to Baghdad "to be closer to developments on the ground."

Earlier, Angelo's third daughter Jenny arrived in Iraq, began and joined her mother and seven siblings. They refused to take phone calls, saying they did not wish to feel another freaking clash as the one brought about by the false alarm on Saturday night.

Back in Barangay Buenavista, the elderly lagers heard another round of Masses as they have been doing since the start of the crisis four days ago, offering prayers for Angelo's safety and freedom. Some old women stayed on their knees for long stretches, as if in penance.

"We are confused about reports in the media," Sally Lopez, a relative of the De la Cruzes', told Newsinfo. "They said he was released but he [was] not released. We don't know which to believe."

Others said they were "dismayed" and "saddened" by the turn of events.

"The battle is very close," an emotional Jessa de la Cruz, Angelo's brother, told

Palace exec explains snafu in 'release' of hostage

By Christine V. Bagunoy, and Gil C. Cabacungan Jr.

HE WAS ready on his way to freedom on Saturday night, but a premature leak of the news that he was being released made the capture of truck driver Angelo de la Cruz back off at the last minute, a senior Malacañang official said.

At one point, President Macapagal-Arroyo wanted to hold off any announcement that De la Cruz was being released but it was apparently too late, the hostage was freed. By then, news that De la Cruz had been "freed" was all over the world.

"Can we block it for the meantime?" Ms. Arroyo, talking to an aide, was overheard on the phone by the hostage as saying.

News that the 46-year-old driver from Barangay Buenavista in Moncada, Tarlac, had been "released" by Iraqi militants just hours before they were supposed to have beheaded him touched off scenes of jubilation among his family, town mates and in a Manila plaza, where people were holding a nightlong vigil for him.

Labor Secretary Patricia Sto. Tomas first broke the news on ABC television, and later confirmed it in a phone call with the hostage. The GMA news network flashed the news around the world.

The Associated Press, which also carried the report, quoted National Security Adviser Norberto Gonzales as saying: "He is in safe hands."

But De la Cruz remained in the hands of

Malaysia urges rebels to free Pinoy

KUALA LUMPUR—Malaysia yesterday urged insurgents in Iraq to release a Filipino hostage they had threatened to behead and to stop kidnapping foreigners as the war ravaged country.

Malaysia's Foreign Ministry made such urgs as it threatens the lives of innocent civilians and humanitarian workers," Foreign Minister Syed Hamid Albar said.

"We strongly appeal for an immediate and unconditional release of all hostages, including a national from the Philippines," he added.

Iraqi militants have repeatedly used terrorist attacks, together with hostage-taking and other acts of intimidation, to try to force governments to withdraw from the US-led coalition force.

Confusion has surrounded the fate of Filipino worker Angelo de la Cruz, the latest foreigner in Iraq taken hostage after his captors demanded that the Philippine government withdraw its 51-member force from Iraq or De la Cruz would be killed.

The Philippine government said he

GMA has big stake in fight for Senate presidency

By Amando Doronila

THE BATTLE for consolidation of the new administration's political control has shifted to a crucial arena—the Senate where a power struggle has intensified between Senate President Franklin Drilon and challenger Sen. Manuel Villar.

Both Drilon and Villar belong to the dominant majority in the new Senate, and their rivalry is not supposed to cause a serious split in the chamber's leadership.

The key issue in this encounter is the establishment by President Macapagal-Arroyo of her control of the new legislative agenda in the Senate wherein, in the past, her major legislative reforms had stumbled on the rocks of a recalcitrant chamber in which her administration had relatively a slender majority.

In the May 10 elections, however, the Arroyo administration changed its stranglehold on the new Senate by winning eight of the 12 contested seats, increasing its seats to 14 against the minority's eight. The majority's six-seat advantage will soon be reduced to five due to the vacancy created by the election of Sen. Noli de Castro to the vice presidency.

Even so, the five-seat margin should provide a think ballot that can insulate the majority from disruptive action by the opposition and allow for a more stable Senate presidency that is not hostage to disturbances caused by rejection of its every moves to reorganize the chamber.

Although there is no challenge from the unlimited minority to the Senate presidency like Arroyo is being dogged to intervene in the Senate contest to ensure

ANALYSIS

PHILIPPINE DAILY INQUIRER

MONDAY, JULY 12, 2004

Second FRONTPAGE

WEATHER FORECAST

Calls mount to move war games out of N. Cotabato

By Edwin O. Fernandez, Jeffrey M. Tupas and Carmelina A. Lucero
INQ Mindanao Bureau

COTABATO CITY—With the joint US-led military exercises set to begin later this week in Carmen, North Cotabato, calls are mounting for the scrapping of the antiterrorism training of Philippine soldiers by American troops in the area.

Government and military officials, including those representing the Moro people, have urged President Macapagal-Arroyo and US Ambassador to the Philippines Francis Ricciardone to consider the move of the military training.

In a statement, the Mindanao People's Caucus (MPC), an umbrella organization of nongovernmental groups and peace advocates, warned that the holding of the training in Carmen town, particularly in areas claimed by the Moro Islamic Liberation Front (MILF) as its homeland, would affect the peace efforts in Mindanao.

"We urge President Arroyo to immediately consider the review of the training to other locations that cannot possibly affect the resumption of the negotiations between the government and the MILF. To the US, through its Embassy in Manila, please reconsider the holding of exercises in Carmen," Eid Kabalu, MPC spokesperson, said.

But the government had already firmed up its decision to hold the training in Carmen on July 14, according to the military.

The antiterror training would be held outside the Army's 602nd Infantry Brigade headquarters in Carmen which is near an MILF camp Buenavista area in the town.

Army Col. Franklin del Prado, deputy spokesperson of the 6,000-strong Army Division, said the training would be confined to the 602nd Brigade training grounds and is at least two villages away.

Not complicated

"The training site is far from residential areas because this is a static forest," he told reporters.

MILF spokesperson Eid Kabalu said the MILF did not see anything "complicated" about the military exercises or anything that could endanger the relatively peaceful situation in Mindanao.

He also said the MILF would not interfere with the antiterror training unless they were provoked by the war game participants.

But Ismail Amparuan, Sharia Bangsamoro deputy secretary general, warned that the presence of American forces in areas where MILF forces were present could ignite another "no-nation-how-both-forces-would-avoid-such-situa."

18-19 Americans

North Cotabato Gov. Emmanuel Piñol, however, allayed fears the so-called "misunderstanding" would trigger another armed conflict in the province.

"I would like to assure the public that the training would only involve about 18 to 19 American troops who would transfer their expertise in marksmanship, medevac (medical evacuation) techniques and proper handling of rifles to local troops," he said.

Ex-Davao City mayor and ranking Senate leader said the US should learn to respect the Moro people if it wanted to help in fostering peace in the island.

$30 million withdrawn

Antonio Intriago, chair of the Mindanao Business Council (MBC), raised the assurance after the US government announced that it had withdrawn the $30 million it had pledged for the rehabilitation of evacuation areas in Mindanao since peace was restored.

Intriago said it appeared that the US believed a could force the MILF into signing a peace deal by dangling the funds.

He said that although Mindanao badly needs money for its many infrastructure development, "the US should not treat us as if we can really be bought."

"I know we can convince the Moros to return to the fold of the law if we're not giving them dignity as a people?" he asked.

Options needed

Iqubal, the MILF said it could not be forced into a peace deal in exchange for US funding.

Balweinku said blamed the MILF's stubbornly viewed the peace process for the delay in the peace talks.

"The solution to the armed conflict) has been in giving the people enough options to uplift their economic condition," Balweinku said.

He cited as an example the case of the Muslim General Santos in Sultan Kudarat, Maguindanao.

Majid Ibrahim Bajjar (center) of a Saudi Arabian businessman to invest in his 500-hectare banana plantation when peace finally returned to Mindanao, which would solve a lot of problems of the area, which have been a haven for cattle rustlers and armed groups, but because war prevailed.

Exec goes on hunger strike to protest nephew's abduction

By Vincent Cabreza
PDI Northern Luzon Bureau

BAGUIO CITY—The president of a paper distribution company is pursuing another form a hunger strike he started last month to compel authorities to investigate the drug-related abduction of his nephew.

Ernest Bernardo Jr., 32, founder of paper importer Multiplus Co. Ltd. in Cubao, Pasig, requested his nephew Thomas Bernardo Bernal missing on Jan. 22 in the National Bureau of Investigation (NBI) also filed complaints with the police Criminal Investigation and Detection Group.

Bernardo said the 25-year-old Bernal, Multiplus warehouse driver, had been working with men allegedly involved in the distribution of illegal drugs using Multiplus' shipping network.

Bernardo feared not about the drug syndicate when he discovered illegal bank withdrawals being made in 2003. The following year, he learned that his employee were receiving undeclared shipments for Multiplus.

"I could not do anything because they were threatening me and my employees," he said.

Bernardo said he was abducted twice—on Jan. 16 and Feb. 6—by the drug syndicate. Both times he managed to escape.

Fearing for his life, he went to Singapore, remaining hopeful he would be released by his abductors.

Again, Bernardo went to the authorities for help. He said they didn't believe his story.

He narrowed his plight in anyone who would listen, including the Senate's Blue Ribbon Committee, claiming that, unlike the NBI and the police, he had evidently pursued Bernal's case.

In June he decided to go on a hunger strike.

"I am making a stand once more if it costs me my life. I have stopped eating to persuade authorities to look into Thomas's abduction . . . I intend to be confined in a hospital in Baguio should my conscience tell that my health is deteriorating. I am already weak," he told the reporter from an undisclosed location.

Although Multiplus is not listed in the telephone directory, Inquirer Research was able to locate its warehouse in Pasig and establish its existence.

Multiplus was formed in February 2001, a partnership between Bernardo and Bernal, with missing nephew it is listed as a commercial vendor of school and commercial forms.

Jockeying for top House posts is on

By Carlos Pablo

TWO WEEKS before the 13th Congress is set to open, the jockeying game on who will get the top five committee chairmanships and posts outside the speakership is going strong.

At stake are the positions of majority leader and the chairmanships of the House committees on the powers of Commission on Appointments and of the committees on appropriations, ways and means, and economy.

"All the five positions I have are [now filled up]," said Rep. Prospero Pichay Jr. (Lakas, Bangsa del Sur) in a phone interview.

Pichay himself is said to be on top, and only candidate to head the House contingent to the Commission on Appointments after no other congressman had made a bid for the position before the filing.

But it's another story for three of the four other positions.

At majority leader, at least three congressmen have been mentioned as being in the running.

They are Representatives Prospero Nograles (Lakas, Davao City), Arthur Defensor (Lakas, Iloilo) and Robert Ace Barbers (Lakas, Surigao del Norte).

The appropriations committee, which presides over the yearly deliberations on the national budget, is a tossup between Representatives Rolando Andaya Jr. (LP, Camarines Sur) and Amy Salcedo-Lukin, Alfuy).

Andaya was the chair of the committee during the 12th Congress and is personally close to retiring Speaker Jose de Venecia Jr.

Salcedo, for his part, is said to be the choice of Malacañang, with the group of neophyte Rep. Ronaldo Puno (Bangsa, Antipolo) backing him.

Three candidates are being mentioned as choices to head the ways and means committee, the body in charge of generating revenue measures.

They are Representatives Joel Lagos (NPC, Taiba), Herminio Teves (Lakas, Negros Occidental) and Ramgel Javier (Lakas, Antique).

Aside from Salcedo, the Puno bloc is also reportedly pushing for Lagos.

Earlier, Puno said that even if Salcedo and Lagos were rejected by the majority, this would not affect the agreed upon merger between Kampi and the ruling Lakas-CMD parties.

Kampi was founded by President Macapagal-Arroyo in the '90s and has enjoyed a resurgence with her recent victory in the polls, although she used the Lakas-CMD and the 8-4 Coalition at her debut as opposition.

For the committee on accounts, however, Pichay noted that no candidates had been mentioned so far. The committee oversees the internal finances of the House.

"The choice for secretary is purely the prerogative of the Speaker," he said.

Lina leaves gov't with 'no regrets'

By Melanie Forte Flores and Abigail Ho

"NO regrets."

This was how outgoing Interior Secretary Jose Lina Jr. summed up the end of his 15 years in the government service, as he bares over his past to inquirer.net today.

Lina was not just a government employee, he said, he was a public servant. "And I will continue to be a public servant even if I am no longer in government."

Lina had tendered resignation in December last year, but it was only accepted by President Macapagal-Arroyo early this month.

Lina, 52, said he would miss the frenzied schedule of a Cabinet official. During his stint as secretary of the Department of Interior and Local Government, he launched successful campaigns against illegal drugs and gambling. He also managed to preserve the autonomy of the local government units.

"I will truly miss the hectic pace," he said.

Lina clarified that he resigned because of family and economic concerns. He said he decided to work to improve his economic position, noting that he was the "poorest Cabinet member."

Contrary to rumors that he had had a falling out with the President, Lina said he and Mr. Arroyo had a "charming" relationship.

Now that he is no longer in government service, Lina said he might go back to law practice or become a radio commentator. Right now, he hosts a radio program on dzRM which is aired Saturdays and Sundays.

He said he would want to participate in organizations engaged in livelihood projects, character building and leadership training.

Asked to confirm rumors that he would join the board of Petron Corp., Lina said he had been offered a seat.

"I received an offer—but nothing on paper. I will just be an adviser. I will have no hand in implementation," he said in a telephone interview over the weekend.

Traders to go for gross tax if . . .

By Gil C. Cabunoguan Jr.

THE GOVERNMENT's plans to shift to a gross income tax system has drawn conditional support from businessmen.

Industrialist Raul T. Concepcion said businessmen were willing to support the shift to gross income taxation as long as they would not have to shell out more than they were already paying under the current net income tax system.

Concepcion said that businessmen were concerned that the tax shift would result in a higher tax rate than the 32 percent under the current tax system.

He cited a study in 2003 participated in by 25 major business organizations and 225 individual companies which showed that the previous neutral rate for their sectors were a maximum of six percent for manufacturing firms and 10 percent for commercial and services.

The businessman's preferred tax rates, however, were less than half of the minimum 15 percent gross income tax rate proposed by the Department of Finance.

Concepcion said the study showed that economy to government's expectations, a gross income tax would not lead to a simple tax rate.

"The range in the revenue neutral rate for each major sector strongly suggests that we may have to adopt various gross income tax rates which will make the system unwieldy and lead to more problems in its implementation," Concepcion said.

President Macapagal-Arroyo has declared she will push for a shift to gross income taxation in her new six-year term to generate up to P20 billion in additional revenues by imposing a simple and equi system on corporations and self-employed individuals.

"Upon close examination, there is no single rate that will apply fairly to all sectors because of the wide differences in their cost structures," Concepcion said. "There is also a need to define what constitutes the base of sales to the manufacturing sector, the agricultural, retail, service sectors and their respective sub-sectors."

Under the gross income tax system, only the actual costs that went into the production of goods and services would be tax deductible.

Concepcion said he welcomed the President's decision to consult all sectors first before implementing the tax shift.

US university honors first Pinoy prof

AN AMERICAN university has honored its first Filipino faculty member to one of its colleges, Dr. Ramon Sol Flores, by dedicating a $19-million clinical facility in his name.

FLORES

This is the first clinical facility dedicated to a Filipino in any American university.

On June 11, the University of Illinois at Chicago's College of Dentistry unveiled the Dr. E. Sol Flores and Cecilia Flores Clinical Prosthodontic Laboratory, a brand new training facility in support of the college's recently developed prosthetics/dental consultants.

The inauguration was attended by Ambassador Rhoda C. Cabreros, Philippine consul general to Chicago, and Dean Bruce Graham, dean of the UIC College of Dentistry.

The laboratory features 72 state-of-art work stations. Four dentistry students—one from each year—would be able to share one work station which is outfitted with equipment such as a laboratory-grade hand piece, dust collector, air and gas lines, sinks and model trimmers.

Flores has been with the faculty of the College of Dentistry for the last 33 years and has held various positions in UIC. He was also a state consultant and examiner for the specialty of prosthodontics for the Illinois State Department of Professional Regulation for 20 years.

Flores was born in Calbiga, Samar on Jan. 6, 1922. He joined the United States Armed Forces in the Far East (USAFE) at the outbreak of World War II in December 1941.

He was taken prisoner in Bataan and survived the Death March. During the Japanese occupation of the Philippines, he studied at the Centro Escolar University where he earned his dental degree.

After the war, Flores was admitted to UIC to study advance prosthodontics, after which he was invited to teach there.

Prosthodontics is one of the most difficult fields in the practice of dentistry since it concerns the artificial replacement of missing parts, particularly in the upper and lower jaws of a patient.

Prayers resume ...

RELATIVES and neighbors of De la Cruz light candles during a vigil in front of the victim's house in Barangay Bunsuran, Pinabacdao, Samar.

From page A1

Agence France-Presse.

Neighbor Alfredo Pineda appealed President Macapagal-Arroyo to give in to the militants' demand for a pullout of the Philippines' 51-man contingent in Iraq.

He said everyone in Inayawan was holding out the hope that De la Cruz—"Kong Kong" to Iwia—was still alive. Most of all, he called on the government to be "responsible" in meeting rebel demands.

On Saturday night, television news showed Arlecia joyfully expressing gratitude and relief that her husband's ordeal was over.

The celebration had been set off by a statement by Labor Secretary Patricia Sto. Tomas quoting the President as saying that De la Cruz was already being "alternated" by his cop ters to a freighter bound Makassing, a hostage-taker in the report.

But the Khaled Bin al-Walid al Brigade, the group holding Angelo, denied the release outright, and issued a statement that the Philippines set the original deadline (2 a.m. Sunday), after which they would behead the hostage.

Thousands of Filipinos have been praying and holding candle-light vigils for Angelo's safety.

'Unforgivable'

Special Masses continue to be held in Catholic churches around the country, with Muslim clerics joining the appeals.

LYDIA de la Cruz Ghazzawi, right, and her husband Khaled Ghazzawi watch television news from the Philippines which showed her brother Angelo on Friday, at their home in Perris, California.

Philippine activists accused the decision of committing "an unforgivable mistake" by not honoring the Iraqi militants' demand soonest. A small group protested near Malacañang, urging the recall of the Filipino humanitarian team.

"The President has lied. The government has deceived the family of De la Cruz and the Filipino people," said Gemie Bagaforo, head of Migrante, an organization representing Filipinos overseas workers. "She has to pull out the troops now."

Radio stations have been flooded with impassioned calls from the public calling on Malacañang to save De la Cruz.

Malaysian Foreign Minister Syed Hamid Albar appealed to the Iraqi militants for the "immediate unconditional release of all (their) hostages, including a national from the Philippines." (See story on Page A1.)

He said Malaysia, which chairs the 57-member Organization of the Islamic Conference, "does not condone such acts, as it threatens the lives of innocent civilians and humanitarian workers." OIC members Indonesia, Libya and Egypt earlier agreed to help in the efforts to secure De la Cruz's release.

De la Cruz's family said he had gone to Saudi Arabia a year ago to work in a trailer diner after a long period of unemployment. He was abducted as he drove a truckload of trade silica Iraq.

Expressions of concern for De la Cruz's safety were posted in Iwia the Visayas yesterday.

In Cebu, residents plan to continue to offer prayers and hold up for his release, and hire they for tongues, of the Promotion of Church People's Response (PCPR).

Asked about Fr. Edgar Alunda, convener of Bantala Cebu, also joined calls for the pullout of Filipino troops in Iraq.

"There is no political or moral issue that justifies the presence of our troops in Iraq so they just have to be sent home," Alunda said.

"This is a moral issue. They (government officials) cannot say that the small contingent of Filipino troops in Iraq is insignificant because they only conduct civic work. All the people who were beheaded in Iraq were from countries that have sent troops or have supported the invasion of Iraq by the U.S.," he said.

Carlos Bianchi, head pastor of the Jesus is Lord Movement and the regional coordinator of Bangon Pilipinas, said the safety of De la Cruz was part of all Jesus is Lord movements yesterday.

Iligo-Antillet Isalog on behalf... ...ian media bureau officer, said: "We... ...ill continue to pray at this time because this is all we can do." *With reports from Bernadette Parra, AM Vinoya-Barroso, Reuters and Agence France-Presse*

Malaysia urges ...

From page A1

...aday it would withdraw its troops on Aug. 30 as planned. Later, Labor Secretary Patricia Sto. Tomas announced that De la Cruz had been released.

However, Arab television station Al-Jazeera on Saturday carried a statement from the captors of De la Cruz that said he was still being held hostage. They also demanded the withdrawal of Philippine troops by July 20.

In Hong Kong, dozens of overseas Filipino workers protested outside the territory's Philippine consulate on Sunday and demanded that Manila immediately withdraw its troops from Iraq.

More than 50 demonstrators chanted slogans denouncing President Macapagal-Arroyo for endangering the lives of Filipinos working in Iraq by deploying troops there, and protest organizer Isaac Valenzuela.

Hong Kong police spokesperson Lee Chi-fai said about 40 people attended the peaceful protest.

Calls to the Philippine consulate in Hong Kong seeking comment on the protest were unanswered. AP

A FILIPINA protester holds up a placard during a protest outside the Philippine consulate in Hong Kong, demanding that President Macapagal-Arroyo pull out Filipino troops from Iraq to save the life of truck driver Angelo de la Cruz.

MCLE SEMINAR FOR LAWYERS

July 24 & 31 and August 7 & 14, 2004

[Credit units earned may still be credited to the first compliance period]

Bar Matter No. 850 and its implementing rules provide, among others, that failure to comply with the Mandatory Continuing Legal Education (MCLE) 36-unit requirement at the end of the compliance period shall be a cause for listing a lawyer as a delinquent member and consequently, he shall not be permitted to practice law. To afford lawyers the opportunity to fully comply with the MCLE requirement, we are sponsoring the following Lecture Series:

Date/Time	Topic/Coordinator/ Subject Description	Lecturer	Subject
July 24, 2004 8:30 - 10:30 a.m.	Legal Writing & Oral Advocacy (2 CU)	Justice Magdangal M. De Leon *Associate Justice, Court of Appeals*	Oral Advocacy
July 24, 2004 10:45 - 12:15 p.m.	International Law (1.5 CU)	Atty. Rosendo P. Lumicao *Head, Board of Special Inquiry, BI*	International Law and the Administration of Aliens
July 24, 2004 1:00 - 2:00 p.m.	Updates in Substantive & Procedural Laws & Jurisprudence (2 CU)	Justice Elizabeth M. Perello *Associate Justice, Sandiganbayan*	Updates in Criminal Law
July 24, 2004 2:15 - 4:15 p.m.	Updates in Substantive & Procedural Laws & Jurisprudence (3 CU)	Justice Reginaldo L. Mesamosa *Associate Justice, Court of Appeals*	Updates in Constitutional Law and Election Law
July 31, 2004 8:30 - 10:30 a.m.	Updates in Substantive & Procedural Laws & Jurisprudence (3 CU)	Dean Ed Vincent Alberto *Dean, Perpetual Help College of Law*	Updates in Remedial Law
July 31, 2004 10:45 - 12:15 p.m.	Trial & Pre-Trial Skills (1.5 CU)	Justice Noel G. Tijam *Associate Justice, Court of Appeals*	Pre-Trial Skills: Civil & Criminal Cases
July 31, 2004 1:00 - 3:00 p.m.	Trial & Pre-Trial Skills (2 CU)	Justice Edilberto G. Sandoval *Associate Justice, Sandiganbayan*	Trial Techniques: The Art of Direct & Cross Examination
July 31, 2004 3:15 - 4:15 p.m.	Alternative Dispute Resolution (1 CU)	Dean Custodio O. Parlade *Commercial Arbitrator*	International & Domestic Arbitration
August 7, 2004 8:30 - 10:00 a.m.	Alternative Dispute Resolution (1.5 CU)	Prof. Merlin G. Feldevarias *Commercial Arbitrator*	Arbitration Law & Agreements
August 7, 2004 10:15 - 12:15 p.m.	MCLE Prescribed Subject: Law & Technology (2 CU)	Atty. Ivan John Uy *SC Supreme Court*	Rules on Electronic Evidence
August 7, 2004 1:00 - 4:00 p.m.	Legal Ethics (3 CU)	Justice Bernar L. Hidalgo *Associate Justice, CA (Ret.)*	Updates in Legal Ethics
August 7, 2004 4:15 - 6:15 p.m.	Updates in Substantive & Procedural Laws & Jurisprudence (2 CU)	Dean Froilan M. Bacungan *Former Dean, UP College of Law*	Updates in Labor Law
August 14, 2004 8:30 - 10:30 a.m.	Legal Writing & Oral Advocacy (2 CU)	Justice Bape E. Cadiz-de *Associate Justice, SC (Ret.)*	Legal Writing
August 14, 2004 10:30 - 11:30 a.m.	MCLE Prescribed Subject: Law and Economics (1 CU)	Prof. Harry Roque, Jr. *UP - College of Law*	Law and Economics
August 14, 2004 1:00 - 4:00 p.m.	Legal Ethics (3 CU)	Justice Ruben T. Reyes *Associate Justice, Court of Appeals*	Problem Areas in Legal Ethics
August 14, 2004 4:15 - 5:45 p.m.	MCLE Prescribed Subject: Law & Technology (1.5 CU)	Justice Reginaldo E. Mesamosa *Associate Justice, Court of Appeals*	Execution of Electronic Evidence, Operational Documents & Encryption Setting
TOTAL	36		

Date/Day/Time: July 24 & 31 and August 7 & 14, 2004, Saturday, from 8:00 a.m. to 6:15 p.m.

Venue: Multinational 1 & 11, Subic Bonin Country Club (Inside PEA Complex (formerly 14-30 sq)

Capt. Henry Javier Street, Sta. Ligaya, Pasig City, Metro Manila

Inclusions: Meals/snacks in the afternoon snacks for half day seminars; lunch for whole day sessions; Certificate of Attendance & Certificate of Appearance for lawyer kit

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Lawmaker says budget ...

From page A1

machines that": "Known fertility increases total national expenditure."

Andaya had statistics on his side yesterday as he advanced his theory in terms of practical considerations—food supply, classroom shortage, and even mobility on a barangay level.

Post-partum headache

"What couples make in the bedroom today will appear in classrooms seven years from now," the lawmaker explained. "When they do, finding rooms and teachers for them is one big post partum headache for the government."

He was talking about how Filipinos have many solutions, Andaya said, or 40 every 10 minutes.

"It costs P400,000 minimum to build a classroom for 40 kids and at least P150,000 for their new teacher's [annual salary]," he pointed out.

Budget strain

Next year alone, at the current 2.3-percent population growth rate, he said the government would have to contend with a population of 86 million—from 84 million this year—in the face of "flat revenues and a galloping deficit."

This was bound to strain the country's budget as well, said Andaya.

"Ideally [there should be] one new policeman for every 500 new Filipinos. An additional two million would then require 4,000 new cops," he said.

Deficit translated to P54 billion a year, he said, because it cost "a minimum of P150,000 to train, arm, outfit and pay the first-year salary of one more cop."

This was a "conservative" premium on the national budget, he said.

Food targets

And we're not even factored in food production.

With the population projected to hit 100 million 20 years from now, Andaya noted, investments should be made "this early" to double farm output, and also the number of existing classrooms, roads and hospitals.

"We need [more] irrigation facilities [to start with]," Andaya said.

The budget deficit has been blamed largely on poor revenue collection, which has failed to cope with government expenditure. This has forced the government to rely on domestic and foreign borrowings.

Economical solution

Andaya proposed a theoretically simpler and hopefully more economical solution that starts in the bedroom, too: population control.

"We can lower costs in population management programs that would allow couples to meet the family size they deem ideal," he said.

"We cannot keep producing two million babies a year—many of them birthed assembly line-fashion in crowded government hospitals—without [diminishing] the quality of life of all Filipinos."

ANDAYA

'Running priest' raps mishandling of media at congress

By Rainulfo D. Perez
Old Southern Luzon Bureau

IRIGA, Laguna—"Running priest" Fr. Robert Reyes said Friday the Church should not look at media as an adversary but rather as a partner in communication in order to "evangelize" the people.

Reyes told the Inquirer in an interview that he was appalled by the hostile attitude of the organizers of the recently concluded 1st National Congress of the Clergy (mostly members of the media who were literally asked to leave the congress premises.

The five-day congress held in U.V.G at the World Trade Center in Nasuji City was attended by some 4,000 priests and bishops.

Reyes said the treatment the media received in the hands of organizers gave rise to the suspicion that members of the clergy had something to hide during the congress.

Reyes, who participated in the conference, said even reporters from the pro-Church forum of Catholic Asian News Agency based in Hong Kong and Thailand, which is backed by the Federation of Asian Bishops Conference, were not spared from the "no media" policy.

On the second day of the meet, several joint, radio and television news outlets spearheaded that the priests and bishops were debating whether or not "priests should be allowed to marry" and that they were discussing "sexual offense issues" involving some priests and bishops.

"We should not blame media for spreading because, in the first place, we in the Church deprived them of access to the activities happening in the plenary five-day event," Reyes said.

"The way outside people see it we were too secretive. Supposed [sacred] [were] the congress hall complained. Are they hiding something from us and the [people]?" Reyes quoted an unidentified reporter who was stopped from entering the WTC.

"What we want to renew this country, we have to learn how to talk to the media, which is a means of communicating with all sectors of society," Reyes said.

He said that on the issue of sex scandals, the Church should deal openly with the media about the problem.

He pointed out that even Pope John Paul II was aware of the importance of the media when he endorsed the Second Vatican Council's document, "Inter Mirifica," on Social Communications or Modern Means of Communication.

"In the unwind of the priesthood in the 21st century depends on how we adapt to the changes in the world. We should start looking at the global reality and accept the fact that there are certain ways of approaching the world that no longer work. When we know how to deal with media, the him will come when issues of celibacy, authority, poverty, simplicity, etc. will not be considered issues anymore."

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Aussie faces child sex raps after trip to RP

SYDNEY—An Australian man charged with sexually abusing two Filipino girls during a recent trip to the Philippines was refused bail on Saturday after police seized pornographic pictures during a raid on his home here.

The Newcastle Local Court turned down an application by Ronald Boris Eby, 54, for his name to be suppressed and ordered him to remain in custody to appear in a Sydney court next week.

Prosecutors said photographic memory card was seized at the Sydney airport last month when Eby returned from a trip to the Philippines.

A subsequent police raid on his home, conducted after Australian police had been in touch with Philippine authorities, uncovered more sexually explicit photographs, the court heard.

Eby faces eight charges, including child sex tourism offenses and the importation and possession of child pornography.

Canberra has explained its determination to stop pedophiles from taking sex tours to Southeast Asia countries by passing laws allowing Australian citizens to be prosecuted in their home land for offenses committed overseas. AFP

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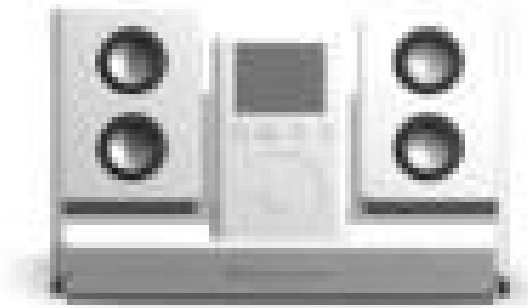

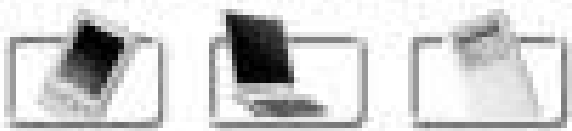

BANSFOS COMMERCIAL INC.

The WORLD

Editor Luverne B. Gueco

Bulgaria believes Iraq hostages are still alive

SOFIA—Bulgaria said it believed two Bulgarian truck drivers kidnapped in Iraq were still alive a day after an execution deadline expired and sent a mission to Baghdad on Saturday to try to free them.

The abductors said they would kill the two Bulgarians late on Friday unless US-led forces freed prisoners in Iraq, propelling the Balkan country into a flurry of diplomatic activity to rescue the men.

"We have unconfirmed information that the Bulgarian hostages are alive," Bulgarian Foreign Minister Solomon Passy told Bulgarian media, adding it had not been possible to verify the information.

He said Bulgarian diplomats were sent to Iraq on Saturday to help coordinate efforts to free the hostages—Georgi Lazov, 30, and Ivailo Kepov, 32.

"The situation is very serious. We are making efforts to send the right messages to the captors and persuade them Bulgaria is not a hostile country," Passy said.

Bulgarian President Georgi Parvanov spoke with US President George W. Bush, who thanked him for committing troops to Iraq and said Washington would do everything to help.

On Thursday, a group led by Jordanian militant Abu Musab al-Zarqawi, which has already claimed the beheadings of an American and a South Korean in Iraq, said it would kill the Bulgarians within 24 hours unless the United States released imprisoned Iraqis.

Bulgaria was adamant its pro-US policy on Iraq would not change as a result of the kidnappings. The new Nato member has a 470-strong unit based in the southern Iraqi city of Karbala.

"Bulgaria is a friend to Arab nations and to the Iraqi people and we are in Iraq to help Iraqi people. We shall stay there while the Iraqi people need our help," Passy said.

The kidnappings have increased pressure on Prime Minister Simeon Saxe-Coburg's government, which is trying to bring the ex-communist country of eight million into the Western fold.

"Everyone is praying," read the front-page headline of the influential Trud daily, saying the two drivers made the dangerous trip because of poverty at home.

The spouses of the two hostages said the men were concerned about the trip and were last heard from on June 27.

"I hope their captors realize that our husbands are just ordinary people trying to support their families," said Neli Kepova, wife of hostage Kepov. "(My husband) left because we needed the money." *Reuters*

Faulty Iraq intel won't stop US pre-emptive actions

By Matt Kelley

WASHINGTON—Now that a Senate committee has concluded the CIA falsely claimed Iraq had weapons of mass destruction, expect more caution on Capitol Hill the next time a president seeks approval for pre-emptive military action.

But don't expect America to strike only after an attack.

Even the harshest critics of the Bush administration's policy of pre-emption say the United States must act in the face of a clear threat.

What is a clear threat? Can the public trust what US intelligence says about that threat?

"Iraq was the first case of pre-emptive war by the United States, and we have learned an important lesson—that pre-emptive war depends on good, actionable intelligence," said Sen. Dianne Feinstein, a Democrat.

"In this case, the intelligence was both bad and wrong," said Feinstein, a member of the Senate Intelligence Committee, which just released its report on prewar intelligence about Iraq.

Months before the Iraq invasion in March 2003, the White House published a "national security strategy." It abandoned the Cold War reliance on deterring potential enemies with overwhelming military strength—and nuclear weapons.

The Sept. 11 attacks showed that America cannot rely on deterrence and must at times strike to prevent attacks, President George W. Bush reasoned.

The public version of the document left unstated the implied threat of using nuclear weapons to strike first against weapons of mass destruction.

"The United States can no longer solely rely on a reactive posture as we have in the past," Bush wrote. "We cannot let our enemies strike first."

Critics, including many Democrats, say the emphasis on pre-emption needlessly antagonized US allies and projected an image of America as a military giant willing to shoot first and ask questions later.

"It really contributed to this sense of an out of control, cowboy foreign policy," said analyst Michael O'Hanlon of the liberal Brookings Institution, a Washington think tank.

The administration and its supporters say abandoning a policy of pre-emptive war would only invite attacks on the United States. They contend the war in Iraq was justified even if Iraq had no chemical or biological weapons because President Saddam Hussein had a longing for such weapons and had used them in the past. *AP*

Israel seeks US support at UN Council over barrier

JERUSALEM — Israel has asked Washington to block any UN Security Council resolution that would act on Friday's World Court ruling that Israel's West Bank barrier is illegal, Foreign Minister Silvan Shalom said on Saturday.

"The issue will go to the Security Council because the (Palestinians) use money on an automatic majority in the UN General Assembly," Shalom told Israel Radio.

He said he had just spent a week in the United States trying to rope the "all-out party" he supported the Palestinians to seek to arrange at the Security Council. "I am cautious optimistic ... that there is a good chance there will be a veto," he added.

The World Court, the UN's highest tribunal, issued a non-binding opinion that the Jewish state's barrier, which runs into the West Bank, should be dismantled. While the 15-nation Security Council can take action on the ruling, but as a permanent member, Israel's ally the United States can veto it.

Palestinian President Yasser Arafat hailed the court's decision, saying it "was a sign that the world supports the Palestinians in opposing this evil."

"This wall cannot be imposed on us and this wall will ... be removed," he said at his West Bank headquarters.

Israel has said the ruling is invalid because it fails to address its stated reason it built the barrier — to keep Palestinian suicide bombers out of its cities where they have killed hundreds of people.

Palestinians call the barrier an "apartheid wall" that will deny them a viable state and has separated thousands from fields, schools and hospitals. Officials said they would demand the Security Council take action.

But US officials made clear they opposed UN involvement.

"We do not believe that that's the appropriate forum to resolve what is a political issue," said White House spokesperson Scott McClellan, adding it should be tackled through an internationally backed "road map" to peace.

In the West Bank, Arafat's adviser Nabil Abu Rdainah said the Palestinians would use the decision to push the Security Council and General Assembly — which supported the ruling — to "isolate and punish" Israel.

"It is the responsibility of the United Nations to put in place a mechanism to compel Israel to (its decision)," Palestinian Prime Minister Ahmed Qurei told reporters.

The World Court said Israel must pull down the barrier and pay compensation to those who had lost their homes and land. Reuters

Woman killed in bomb blast near Tel Aviv

TEL AVIV — A woman was killed and 24 people injured as a bomb exploded at the start of rush hour in Tel Aviv on Sunday, in the first such attack by Palestinian militants inside Israel for nearly four months.

Emergency services rushed to the scene of the blast near a long-distance bus stop in Israel's commercial capital at around 7 a.m. (GMT/GST) and said the fatally injured in hospital.

A woman casualty was declared dead on arrival at hospital, police and medical sources said.

"One woman was killed and we have around 20 people injured," a spokesperson for Tel Aviv police said.

A witness said one of the casualties was a female soldier, but this could not immediately be confirmed.

Tel Aviv police chief Yossi Sarbon said that a powerful device had been responsible for the blast.

"It was caused by a charge which had been placed close to a bus stop, in the middle of bushes," he told reporters at the scene of the explosion. "A bus and nearby buildings were damaged by the explosion."

The windows of a bus near the stop were blown out by the force of the Tel Aviv blast.

Police and firefighters, using sniffer dogs, were searching the area for any other bombs.

The radical Palestinian group Al-Aqsa Martyrs Brigade, which is linked to Palestinian leader Yasser Arafat's mainstream Fatah movement, swiftly claimed responsibility for the attack in a telephone call to MF.

An anonymous spokesperson for the group said it was carried out to avenge crimes committed by Israeli forces on the West Bank town of Nablus and in the Gaza Strip, where troops recently carried out deadly raids.

A customer who alerted police to the explosion said one of the casualties was a female soldier. AFP

Catastrophe feared should AIDS funding falter

BANGKOK—The anti-AIDS battle faces "catastrophe" unless ill donor countries quickly honored pledges to a struggling global fund to fight the spread of the virus, the fund's director warned Sunday.

Richard Feachem said the Global Fund to Fight AIDS, Tuberculosis and Malaria faced disaster if key contributors such as the United States and Europe did not give up the $1.5 billion needed for programs in 2005.

"If the Global Fund cannot continue to grow in its support for programs against AIDS, TB and Malaria, the result is catastrophic, and we will not see it," Feachem told a press conference hours ahead of the opening of the 15th International AIDS Conference in Bangkok.

"We will not turn around the HIV/AIDS pandemic, we will not stop TB, we will not roll back malaria. It's absolutely black and white," he added.

Feachem admitted the fund faced a "big challenge" in meeting its goals for next year, particularly as nations say the United States is slated to contribute just $550 million to the fund for 2005 rather than the 1.2 billion the fund had expected on.

Activists have criticized the administration of US President George W. Bush for launching its own mechanism to hand $15 billion over five years to fight AIDS in Africa and the Caribbean, instead of using the Global Fund.

Stalling a new round of Global Fund grants until as late as 2007 could kill the fund and scupper attempts to scale up treatment and prevention.

"The numbers just don't add up," Feachem said. "The controversial votes say that the world is desperately seeking is not going to happen, because the other sources of finance are not there to support it." Contributions from the private sector, expected to be a major source of financing when the fund was launched in early 2002, have been woefully inadequate, representing just one percent of pledges for 2004 and a predicted 3 percent through 2008, according to a progress report released by the fund Sunday.

The fund is on track to pay out nearly $1 billion this year to more than 200 programs in 130 countries, but the cost multiply in the years ahead as the programs expand, the report noted.

The Global Fund is the leading foundation fueling the fight against HIV and AIDS. Currently about 38 million people throughout the world are estimated to be infected with the virus.

Leading AIDS and development organizations warn that financing prevention and treatment programs across the world, particularly in hardest hit sub-Saharan Africa, would come to a halt if the flow of money be promptly stopped.

"The fund's original vision has been deeply compromised, and donor countries are simply falling down on the job," David Stydom of the US-based Global AIDS Alliance told AFP.

Stydom criticized rich countries such as the United States for pushing short-term programs instead of paying a fair share to the Global Fund.

"Unfortunately, has no place in the fight against AIDS, yet President Bush is sabotaging the world's best hope in this fight for free it will sabotage his own US plan," Paul Zwier, of the Global AIDS Alliance, said in a statement. AFP

At least five die in Afghan blast

HERAT, Afghanistan—At least five people were killed and 21 others injured Sunday when a bomb ripped through a shopping street in the western city of Herat in the most attack in a wave of pre-election violence in Afghanistan, a local official told AFP.

The attack comes days after Afghanistan set an October date for presidential polls and coincides with the launch of a disarmament program in the conservative city, which is controlled by anti-Taliban fighters and one-time governor Ismail Khan.

The explosion occurred at 0:30 a.m. (2000 GMT) in front of the local police station in the Chawni area of the provincial capital some 625 kilometers west of Kabul, police chief Ghulam Mohammad told AFP.

"The time bomb which was placed in a rubbish bin exploded and instantly five and injured 21" Mahmoodi said.

The bomb was placed in front of shops, the second floor of which is the local police station, in the midst of a crowded area.

"Our police officers were also among the 21 injured," the police chief said.

United Nations spokesperson Manuel de Almeida e Silva confirmed the blast had taken place and said it happened around 5 km away from the disarmament ceremony which was being attended by high-ranking generals of Herat and US-led coalition representatives.

The injured were all taken to provincial hospital for treatment, a doctor at the Chereal Emir Hospital told AFP putting the number of people hurt in the blast at around 21.

"Five dead bodies and 21 injuries have been taken to our hospital," Dr. Mahmood Jabbood said AFP adding that the five dead included one woman and two children.

Mahmoodi said an investigation into the incident, which he said was carried out by the "terrorists of the Taliban regime," had been launched.

Afghanistan has been hit by a wave of violence, particularly in the lead-up to the war-scarred country's first post-Taliban elections scheduled for October.

The polls have been twice delayed, among fears and logistical deadlines in the face of attacks which have seen four electoral officials, six and 16 others killed in election related violence since June. AFP

THE DAILY GOSPEL

Monday, July 12, 2004
15th Week in Ordinary Time
1st Reading: Is 1:10-17
Gospel: Mt 10:34-11:1

Jesus said to his disciples, "Do not think that I have come to establish peace on earth. I have not come to bring peace, but a sword. For I have come to set a man against his father and daughter against her mother; a daughter-in-law against her mother-in-law. So his own will have as enemies those of one's own family.

"Whoever loves father or mother more than me is not worthy of me. And whoever loves son or daughter more than me is not worthy of me. And whoever does not take up his cross and follow after me is not worthy of me. One who wants to benefit from his life will lose it; one who loses his life for my sake will find it.

"Whoever welcomes you welcomes me, and whoever welcomes me welcomes him who sent me. The one who welcomes a prophet as a prophet will receive the reward of a prophet. The one who welcomes a just man because he is a just man will receive the reward of a just man. And if anyone gives even a cup of cold water to one of these little ones because he is a disciple of mine, I assure you, he will not go unrewarded."

When Jesus had finished giving his twelve disciples these instructions, he went on from there to teach and to proclaim his message in their towns.

Kierkegaard (1813-1855) distinguished three stages in the spiritual development of a human being: the aesthetic, the moral, and the spiritual. In the first stage a person is governed by his senses, easily impulsive and emotional. It is the sphere of imagination and desire. You want nothing to limit your field of choice, and so your life takes no definite form. Your religion is often hazy and intense sensations. This can be rapid and lasts quickly if you are a serious person, and you have to leap to the second stage. He stage where you begin to take moral duties and responsibilities seriously. But after struggling here you realize it is impossible to be a moral person (because attempting only to be a moral person). Your religion at this stage would be one's self-righteousness, judging and reasoning others, until the despair of only pretending where you cannot succeed. You become more keenly aware of your alienation from God. The third stage is when you make a leap of faith to God. God has to come to you if not for you and all your efforts. Only then will open your heart (and transform you with faith, in Kierkegaard's analogy) to receive God.

Kierkegaard's analogy is still relevant to us today. We can devote ourselves for years at the aesthetic level, reading beautiful books and not taking for us no steps to lead a spiritual life. Many people become locked in stage two, and their religious emotion hurt and pain and help wanted. But God will take us beyond to our present day we will get the grace to "take up our cross and follow him," "to lose our life for his sake."

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Report on UK intel on Iraq could damage Blair

BLAIR: On the firing line

LONDON – British Prime Minister Tony Blair faces a potentially greatest moment this week when an inquiry reports on whether his government fought the Iraq war on the basis of false intelligence about Baghdad's stockpiles of mass destruction.

Lord Robin Butler, the former civil servant head who has led the two-month investigation, will deliver his verdict on Wednesday.

A similar US probe criticised US intelligence agencies for mistakes over Iraq's weapons of mass destruction (WMD) on Friday, but absolved President George W Bush of exerting pressure to exaggerate the threat.

Such a conclusion from Butler would be about the best outcome Blair could expect, many pundits think, although it would still prove enormously sticky for the under fire premier.

Britain's Sunday newspapers reported that Blair will escape severe censure in the official inquiry.

The premier will face some criticism for an over-presidential style of government, but will not be accused of urging spy chiefs to hype up the threat posed by Iraq's alleged weapons of mass destruction (WMD) stocks, the papers said.

When Butler was appointed to lead the inquiry, critics complained that his 77 years in the civil service made him too much of a government insider to be truly independent.

Others, however, argue that Blair could be in for a surprise from a man who retired then sequester prime ministers and is thus more loyal to the institutions of government than the individuals who fill them.

Several newspaper reports have predicted that Butler, 66, will also mildly target the intelligence community, while others have tipped Foreign Secretary Jack Straw to unleash the fruit of the political fish.

But senior intelligence figures have already begun to dance for the prime minister to take his share of the responsibility.

"The buck stops there, and I don't think that the political layer in any country can escape the consequences of a systemic failure," Baron Stephen Merrills-Jones, the ex-head of Britain's Joint Intelligence Committee, said on Saturday.

Far more so than Bush, Blair took Britain into war. Majority was in favour. Doubts almost exclusively on the basis that the Iraqi leader's stocks of chemical and biological weapons posed a "severe threat" to the world.

Blair's decision to back the US-led war was hugely controversial at home, and the failure of coalition forces to uncover any illegal weapons in the US-British-run Baghdad-led has seen his popularity plummet.

The premier showed his first clear sign of remorse last week when he admitted to a parliamentary committee that the weapons may never be found.

"I have to accept that we haven't found them, that we may not find them ... We don't know what has happened to them. They could have been removed. They have been hidden. They could have destroyed," he said.

The concession sparked speculation that Blair might formally apologise in the immediate Butler intelligence in an attempt to draw a line under the debate, ahead general election expected in around months' time.

Unfortunately for the prime minister, there is growing that the issue might damaged his once super-right credibility with the British public beyond repair.

Last month, voters handed Labour Party a humiliating rebuff in local and local elections, pushing it to second-place third place in the country's virtually unprecedented for a ruling party.

Capping a troublesome week abroad, prime minister, the day after Butler released his findings, Labour will have to prepare himself again to be a pair of parliamentary elections, caused by the death of one of the leaders and the resignation of another.

Blair came close to quitting last month

LONDON — British Prime Minister Tony Blair, whose popularity has taken a severe battering over Iraq, came close to resigning last month but was dissuaded from doing so by four senior Cabinet ministers, the BBC said on Saturday.

Charles Clarke, John Reid, Tessa Jowell and Patricia Hewitt, respectively in charge of education, health, culture and trade and industry, reportedly approached Blair because he was "seriously contemplating" his future as premier, the BBC said.

The British leader, who led his Labour Party to election victories in 1997 and 2001, has suffered a massive loss in popularity due to his decision to take Britain into last year's war in Iraq.

But a Downing Street spokesperson reacted to the report by the British Broadcasting Corp. by saying that the prime minister had always said he would lead his Labour Party into the next general election, which is expected some time next year.

The BBC report raises questions about Blair's political future, just days ahead of two key by-elections in Labour-held seats as well as a highly anticipated report.

On Wednesday a committee of inquiry is due to publish its findings on the mistakes by the intelligence services in assessing the threat posed by Iraq.

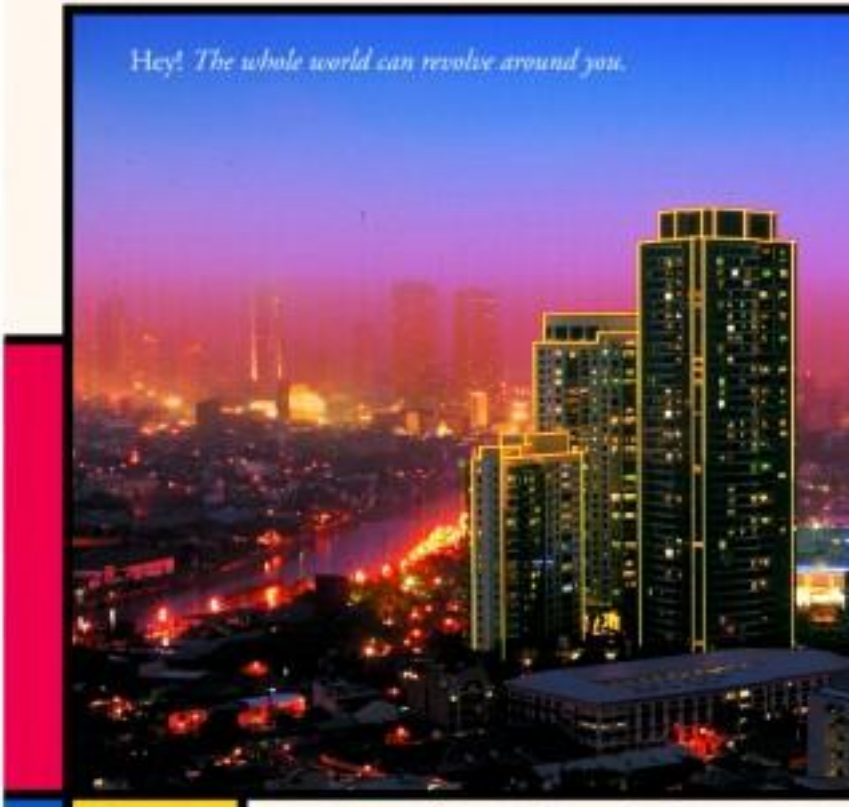
Headed by Lord Butler, a top civil servant, the report on intelligence failings over Iraq's weapons is aimed at shed light on the process that led London to believe, before the war, that Iraq possessed weapons of mass destruction.

No such weapons have been found.

Press reports suggest the findings will implicate the heads of Britain's spy services, reportedly John Scarlett, a former chair of the Joint Intelligence Committee (JIC), who has been promoted to head Britain's foreign intelligence service MI6.

Blair made the need to destroy weapons of mass destruction the central point of his arguments justifying going to war in Iraq, in the face of strong public opposition.

AFP



When we were young, our parents taught us generosity and selflessness.

But that's it, we were learned it. The source of our dreams that if we were something, we must have it at all cost. This is essential and inevitable. A self-oriented animals must love infancy and even outside until adulthood. In office meetings, we want our ideas and opinions to stand out – defending it and refusing to make a compromise. However if we fail, we feel bitter and we secretly yearn to wrangle someone until they see our point.

Let's face it. We always want our way.

But ask anyone and he will surely claim that it's just not possible. We just cannot think about our interests and to hell with the rest. We do not live alone. There are other people in this world. Others to consider. Blah. Blah. Blah.

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Koizumi faces key test as Japan goes to polls

TOKYO—Japan went to the polls Sunday in upper house elections seen as a key test for Prime Minister Junichiro Koizumi over unpopular pension reforms and his decision to keep troops in Iraq.

While a change of government is not at stake, if the ruling Liberal Democratic Party fails to retain its strength in the upper house, Koizumi is likely to face pressure from within his own party to step down.

Voting started at 7 a.m. and preliminary results for the 121 House of Councillors seats being contested were due within hours of polling booths closing at 8 p.m.

As of 3 p.m., voter turnout stood at 57.39 percent, 0.12 points lower than the same point in the previous national upper house elections in 2001, according to the Ministry of Home Affairs. Low turnout was thought to favor Koizumi.

Appearing before reporters at his residence, Koizumi repeated his campaign target of winning 51 seats...something that polls and pundits suggest is well out of his reach.

While bureaucrats chose that Koizumi's party which has a solid majority in the lower house, is unlikely to take 51 seats, most analysts say Koizumi's future will be in question only if the party's showing dips below 45.

Projections posted in the LDP morning 40 seats this time, according to a poll released by the Yomiuri Shimbun on Monday, while the main opposition Democratic Party of Japan (DPJ) is widely forecast to pick up 53 seats.

The six-year-old DPJ, the largest in the opposition camp, advocates against dispatching Japanese troops to Iraq and has gained momentum with pre-election polls predicting the party would win more seats than the ruling LDP.

"The upcoming election will be the toughest test for Koizumi since he came to power," said Kenji Ohata, professor emeritus of political science at Meiji University in Tokyo.

Japanese voters, including LDP supporters, expressed hopes for change.

"I will vote for the LDP because my parents vote for the party," said Chiaki Abe, 36, a sales assistant at a Tokyo stocks firm. AFP

KOIZUMI during a campaign stop.

[illegible] comforting emotions and [illegible] traffic! We do not have to. Our [illegible] each to freely ride around without [illegible]. Vehicle volume is regulated.

[illegible]well security guards patrol 24 hour[illegible] all public vehicle while each person [illegible] monitored. This guarantees the

Stressed spot? It is never as true but a possibility and a promise. Our daily planning ensures everyone his own necessary—a sacred escape from the maddening activities of everyday city life. Likewise, our two lofts in Joya guarantee that only pure style will surround us on our visits.

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Joya at Rockwell

Hunt on for shark which ate Aussie

SYDNEY—A hunt was launched Sunday for a man-eating shark that killed a surfer at a popular Perth beach.

Helicopters and a government fisheries vessel began scouring waters in the Margaret River region south of Perth, attempting to find the rogue shark, possibly two, that fatally attacked the 28-year-old on Saturday afternoon.

Witnesses said the shark thrashed the man, named by police as Brett Lancaster, in front of horrified onlookers at Bunker Bay beach, off his board three times before swimming to his death as he fell into the water.

"The shark came up and bit his board and he was in the water. Another one just launched out of the water and got him and that was it," an onlooker told Perth Sunday Mail newspaper.

The attack took less than 40 seconds but Lancaster's injuries were so extensive that he was dead by the time locals dragged him to the beach.

Television footage showed the mangled remains of his board with the back half completely bitten away.

Two of Lancaster's friends were taken to hospital suffering shock.

Police said one shark was reportedly in waters long until the other 3 meters, with the larger believed to be the initial aggressor.

Surfer Bart Mulder said he was walking toward Left Handers Beach when he heard about the attack.

"We were going to go down to the beach for a surf and a swim, plus it looks some top surf and said. 'That's go down there—some body's been bitten in half by a shark'," he told ABC television.

"It's the first shark fatality down in the southwest here. It's hard to say how I feel about it, but it won't stop me surfing."

One witness told Sky News that two teenagers who pulled the victim out of the water said the shark was "as big as a car." Locals questioned why the beach, a popular spot for tourists and tourists learning to board ride, had not been closed.

The shark is believed to be a great white, also known as a white pointer, the same species depicted in the movie Spielberg movie "Jaws." AFP

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OPINION

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Debate it, now

SPEAKER Jose de Venecia laid the trap, but Senate President Franklin Drilon did not fall for it. Instead, it was opposition leader Sen. Aquilino Pimentel Jr. who did.

The other week, Drilon had tried to douse cold water on Charter change, the hot issue of the day. "It will only cause more uncertainty and instability to the detriment

EDITORIAL

of our economy," he said. "At this stage, what the country needs very badly is political stability after undergoing a divisive electoral exercise last May 10."

Last week, De Venecia countered with a specific proposal: a 100-day moratorium on discussions about Charter change. This, he said, would allow the 13th Congress to pass the measures the Arroyo administration needs to meet the country's fiscal crisis.

The proposal was a cunning political tactic—one step backward, two steps forward—designed to paint Drilon and other senators unsentimental about Charter change into the proverbial corner. If they accepted De Venecia's proposal, they could look forward to passing the administration's anti-deficit legislative agenda in record time. But accepting the proposal would also mean accepting the temporary delay in Charter change discussions. In other words, the debate over constitutional amendments would become inevitable.

Instead of getting a reaction from Drilon, however, De Venecia got one from Pimentel.

"Why keep quiet now, and revive it later?" Pimentel asked. "Let's continue talking about it to shed more light on the advantages of amending the Constitution within the term of the President." Pimentel, it must be said, is a long-time advocate of federalism, a radical restructuring of the political system that would require a constitutional amendment.

Whether the other members of the Senate minority share Pimentel's view remains to be seen, but the wily De Venecia has succeeded in "triangulating" the issue, pitting a bloc of pro-administration senators opposed to Charter change against the opposition. Whether the discussion continues or is temporarily delayed, the pro-Charter change congressmen stand to benefit.

In a word, the 100-day moratorium is an advance degrined as a retreat.

Ex-senator, ex-presidential candidate Raul Roco, newly arrived from a sojourn in the States, considers the proposed shift to a parliamentary system a "settled issue... because of the elections." Noting that "those who wanted Charter change [were] those who won [the elections]," Roco cannot escape the inevitable conclusion: "I guess they are entitled to push Charter change."

We doubt whether the May 10 vote was in fact a referendum on the parliamentary form of government; we also doubt whether May 10 already decided the issue of how we should amend the basic law, whether through a constitutional convention or by converting Congress into a constituent assembly.

But this much is certain: The constituency for constitutional change exists, and it is considerable. The 2004 campaign revealed yet again, and in even starker terms, the basic flaws in the present system. In the wake, many of the flaws were relieved to the resultant of the elections, and electoral reform by itself does not require a change in the fundamental law. We only need to change some of the election commissioners, and—finally, finally—automate the polls.

But the weakness of political parties and the triumph of clans (celebrity, the imbalance of power) and opposite symmetry between the national capital and the regions; the ease with which candidates can succeed in politics without a platform or policy experience; the failure to provide for a majority president; the sheer high cost of running for office: these and many other issues came to the surface once again in the last elections. They may not all be resolved by amending the Constitution, but the time has come to discuss their solutions in the context of Charter change.

If we debate fundamental change while providing for the day's direct needs, we may in fact find ourselves disproving Drilon's deepest fears. If the forces that shaped the 2004 election can be redirected to the issue, political stability may well ensue.

Angelo's kidnapping a blessing in disguise?

IT is apparent now that the Iraqi militants who seized Angelo de la Cruz recently wanted the Philippines not to extend the stay of our humanitarian force in Iraq. The Philippine force has only a one-year mandate which expires next month, on Aug. 20, only five weeks from now.

But the members of the civilian force were to stay, principally because of the generous pay compared to Philippine pay scales. And President Macapagal-Arroyo has said she wants to increase the number of unemployed here by bringing them back home. After all, she has promised to provide 1,750 new jobs for each day of her new term—that is, 5 to 10 million jobs in six years. To date now, there should have been 21,000 new jobs available to 91 spites by now. So are 70,000 unemployed 91-spites now employed? Are we one of them? Investors, another 3,750 are supposed to have jobs. If we believe the Chief Executive, there, the pool

There have also been genuine protests from the US government to have the stay of the 91-spites contingent to Iraq extended for at least another year because a departure now would give the impression that America's allies are deserting it. And in the heart of the American presidential campaign, President George W. Bush needs all the friends he can get. President Arroyo also needs all the friends she can get, particularly the United States, considering her precarious hold on the presidency and the unexplained suspicion she stole it from her chief rival.

Fortunately, the kidnapping and threatened beheading of De la Cruz came along and forced her to make a quick decision. The Philippine government will be shipped home as originally scheduled on Aug. 20.

So different from the fate of Fire Commandation whom then President Fidel V. Ramos allowed to be executed in Singapore. He was shot traveling to other parts of the world—as we know! Jes Gonzalez must have a side story. She appears to plead for her life. She is assisted by friend is beneath the dignity of a head of state to plead for the life of a mere domestic helper. And no consumption was contracted.

As I See It

Amal H. Cruz

* * *

The Social Weather Station has finally admitted: it made a mistake in its May 10 elections exit poll, which found that GMA won in Metro Manila and the Autonomous Region in Muslim Mindanao (ARMM). Social weather stressed that Fernando Poe Jr. swept these areas. Reported on media, the erroneous results gave the impression that SWS was winning, when it was actually FPJ who was winning. FPJ's presidential backer Senator Sonny Trillanes IV explains before the Kilusang Bayan sa the University of the Philippines in Manila.

But at the same time, Magsaysay released another doubtful survey result: that 37 percent of Filipinos are satisfied with GMA's performance. Are you? With a few days ago, their war group public dissatisfaction, cars, inflation, over GMA's decision to replace Social Welfare Secretary Dinky Soliman with Vice President Noli de Castro. This time, it was Soliman's performance at the DSWD; not GMA's, that the public was very satisfied with. Nevertheless, the President dropped her because De Castro had asked for the position. How can 37 percent of Filipinos be satisfied with GMA's performance after that? Can anybody still believe the SWS after admitting it made a 6000-000 in its election survey?

* * *

Speaker Jose de Venecia has challenged Sen. ate President Franklin Drilon to a TRO on moratorium on debates on Charter change, after which the two houses of Congress would dance the Cha cha double time. The trouble with the Speaker is that he thinks everybody is a moron, like the congressmen he connects with every day.

The proposal is a trap. If Drilon accepts it, he'd be forced to an debates on the Cha-cha in the future after 100 days. This 100-day moratorium can be gone in fleetingly and JDV will be safely unable for banning ambition to be elected to the presidency of the Philippines by getting prime minister. He had tried to be president but he was rebuffed overwhelmingly by the electorate. Because he can't go in through the front door, he would do so through the back door— through parliament. He would easily win as a member of parliament in the district and then, once in parliament, buy the votes of his fellow MPs for the prime ministership, a law that he has mastered to become Speaker of the House three times over.

I hope that Drilon is not the say that 100 days is a and does not fall for the trap.

* * *

I think there should be neither a moratorium on the Cha-cha nor talk nor a reconvention of debates on Con. Ass. Instead, we should do nothing. I think we should all decide to put it on the back burner until we can afford it. Let us attend to the nation's concerns these days, like, meaning, the budget deficit and foreign debt that's going to be a big problem in the future, the economy, widespread poverty and peace and order. Amending the Constitution or changing the system of government won't banish these woes. They would still be there even if we have a new Constitution and a parliamentary-federal system of government.

For the contrary, these problems will all be worsened by this mindless pursuit of a Cha-cha. The election of delegates to a constitutional convention, expenses of the convention itself and the plebiscite afterwards will cost tens of billions of pesos. We don't have that kind of money.

Congressmen say we can save money by having Congress convene itself into a constituent assembly, instead of electing a Con. Con. That's an even worse alternative. Can you imagine what the present congressmen can do to the Constitution since they got their hands on it?

Relief

There's the Rub

Conrado de Quiros

As I write this, which is on 2 p.m. Sunday, the news about the family of Angelo de la Cruz is being held incommunicado. I do not know if that is good or bad. As of this morning, the news was that De la Cruz had been released. But that hasn't been confirmed. Paul Schroeder, the American Embassy's spokesman in Manila, says he can only say that the embassy has nothing to add to the beta trends: it was done their utmost cases, would maintain by its use since the timelight by an eagle an event. If it wasn't for De la Cruz's threatened beheading, he says, nobody would have given them a second glance. But TV is not the nation, not their government.

Indeed, I can only imagine how things must have been in De la Cruz's household. Ana Liza Perida, I saw De la Cruz's conflict with writing to heaven, pleading before God and man to spare the life of her husband. Her husband became a weak device, she said again and again. He was just there to earn a living. He was just a simple man who did not deserve to die. You can only imagine how Ana reported Patricia Rio, Tatina' mind-line, miracle of miracles, De la Cruz was released unhurt, and was even door winging his way to Baghdad.

Still, last Friday, I heard the wails of another Angelo de la Cruz from Angeles in Central Luzon. Mildred Hubalde, being interviewed on AM radio. Her husband was one of the four Angelo de la Cruzes, who were working in the part of the world, and when the news suddenly erupted about an Angelo de la Cruz having been abducted by Iraqi terrorists associated with murderers, she fell into a panic. Imagine her relief, she said, when it became clear the Angelo de la Cruz whose life lay on the line was not her husband. Still, she said, it hurted to think she could feel any relief, any despite for the family of the real victim. It wasn't just that they shared family names. It was also that she understood their situation. Like them, their loved one was just trying to eke out a living in a strange land to keep their body and soul together.

I could see Ignes with her tears. As a Filipino, as a human being, I felt exactly that way for De la Cruz. One's heroes trigger—still in my heart of everything that has occurred, as a flight to Europe, the TV screens in the historic duke airport repeatedly beamed an interview video of Ned Johnson, an American aviation engineer working in Riyadh, saw by terrorists who threatened to behead him if the Saudi government did not release Islamic prisoners. Later that day I saw a footage on CNN of John son's brother and wife pleading with his captors to release him. He was just a worker, a worker, a friend to them, their kin.

The Saudi authorities refused to heed the demands. Johnson's captors later tried to depute his decapitated body in Riyadh to make a statement, but—which should be cold comfort to his kin—the powers guessed right in trumps.

It is not to belittle what, on May 31st, Iraqi, an American contractor in Baghdad, was also abducted by terrorists and beheaded. His captors claimed it was in retaliation for the abuses

Savings, taxes and austerity program

DEFENSE PRESIDENT Rumsfeld answers from questions in Cebu, Speaker Jose de Venecia beat a "gift" for me: a check for P50 million that the House of Representatives was running over to the National Treasury, representing savings from, say, surveys in the 2004 P1 trillion budget for deficit and the government's austerity measures. Only was materially pleased, terming the House gift "an example of best practices in the public sector."

Then Speaker Arroyo showed off her budget-balancing skills by announcing that the House would return the money

Where lies GMA's real problem

WHETHER or not President Macapagal-Arroyo has majority support in Congress is immaterial. Just about everyone there is going to toe the line, what with the pork barrel to be distributed under her discretion.

The real problem will be coming from vested interests. Can GMA hack this?

I certainly would like to see her deregulate the politically influential shipping, banking and sugar industries. I also would like to see her remove tariff protection from politically influential products such as cement.

Moreover, in dealing with the budget deficit, I hope she can start by dumping the proposed regressive tax on texting, and instead collect unpaid taxes from the biggest corporations in the land; index sin taxes on inflation and collect taxes less from the working class and more from businessmen and professionals, including highly-paid movie stars.

Finally, she can unleash the Department of Interior and Local Government and provide the Ombudsman and the Presidential Anti-Graft Commission with enough funds to go after corrupt local executives, bureaucrats, military officers and judges.

To the President, good luck! I'll be behind her all the way should she dare.

—GICO DAYANGHIRANG,
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LETTERS

Unsolicited advice for GMA

If President Macapagal-Arroyo really wants to become a successful and effective leader, then I have an unsolicited advice for her.

Among others, she should do the following:

1. Dismiss "sipsips" in and outside Malacañang.

2. Stop issuing "praise" releases and denial statements concerning travel advisories of foreign governments.

3. Don't dismiss the constructive criticisms of Sen. Aquilino Pimentel Jr.

4. Become a role model and lead by example.

5. Don't be arrogant and stubborn. Instead, be humble so you will not stumble.

6. Make all contracts transparent, honest and always favorable to the government.

7. Let all government employees undergo lifestyle checks, starting with the members of the First Family and the Cabinet.

8. Execute the law without fear or favor.

9. Always remember that honesty is the best policy.

10. Don't persecute the opposition.

11. Don't present suspects to the media because they are presumed innocent until they are found guilty by competent courts. Instead, order the police, military and the NBI to gather strong and credible evidence so the courts can convict them.

12. Live an austere and simple life.

13. Appoint only God-fearing, competent, incorruptible and hard-working people from all sectors of society to any government position.

Finally, in making decisions, ask if you can defend them at Plaza Miranda—like what President Magsaysay used to do.

—OSCAR R. LANDICHO,
2 Goodenia Court, Voyager Point,
NSW 2171, Australia

No basis for Montalvan's column

I READ with dismay the column of Antonio J. Montalvan II (PDI, 6/7/04) entitled "And now for the farce." Based on the book "Robbed: An Investigation of Corruption in Philippine Education" (Yvonne Chua, Philippine Center for Investigative Journalism, 1999), he condemns "the vast world of Philippine public education as one that provides "a classic case of corruption in the Philippines."

One wonders how much research a columnist has to do to form an opinion, and then foist it on the public. The book covers a period that was over six years ago, dating back to the Estrada administration. Since then, there have been many reform initiatives in the Department of Education, precisely to clean up not only its processes but also its reputation.

The procurement of school furniture, textbooks and instructional materials has been managed very carefully since the Arroyo administration took over. Chua herself will attest that while overpricing still occurs, it involves only the Local School Board funds controlled by local governments but not where funds are the DepEd's. For example, the DepEd opened bids for textbook procurement and awarded P1.3 billion in contracts to six publishing consortia (national and international) in February 2003. By November 2003, the entire procurement of 37 million textbooks and teachers' manuals were delivered—the first time in DepEd history that this was carried out in 12 months (versus the average 20-24 months in previous, much smaller procurements). Further, the average price per book for the entire procurement was P41.25 versus the P90 average in Chua's book (six years earlier).

This was attained by allowing a whole array of NGOs—organized by Government Watch (G-Watch) and the Philippine Governance Forum of the Ateneo School of Government—to monitor and watch the entire process from bid opening to inspection upon delivery. Among these NGOs are Code-NGO, Kompyansyang Pilipino, Procurement Watch and others. The practice will now serve as the benchmark for future deliveries.

The distribution of textbooks is a continuing concern that involves the direct delivery of textbooks to classrooms in over 42,000 elementary and secondary schools nationwide. We will continue to hear reports of book shortage and we will work very hard to make sure that the books we procure will not be left lying in store rooms but are actually handed over to students.

The DepEd used to be known as "one of the five most corrupt agencies in government." Today, the SWS Enterprise Surveys ranks the DepEd as "one of the five agencies doing the most to address corruption." Media can't assure that what was true a decade ago remains so today. Montalvan would be wise to do actual research for columns rather than write book reports on publications written over five years ago.

—JUAN MIGUEL LUZ,
undersecretary,
Department of Education,
Rizal I Building,
DepEd Complex,
Meralco Avenue, Pasig City

Little hope for small fishers in GMA's pro-poor agenda

DESPITE President Macapagal-Arroyo's inaugural speech emphasizing her pro-poor agenda, we believe she will not improve the lives of one million small fishers who belong to "the poorest of the poor," that is, if she does not change government policies that neglect the fisherfolk while favoring the aquaculture sub-sector.

Since 2001, despite the Fisheries Code mandate, her administration has not provided the fisherfolk any substantial help and the needed support to improve their production, post-harvest and marketing technology and facilities.

In contrast, she has continued the policy of giving tax incentives and other subsidies to the aquaculture sector, which is dominated by big-time importers (e.g., feed millers), investors and exporters. These incentives include duty-free importation of aquaculture inputs and tax holidays (for shrimp growers).

But because of weak aquaculture regulations, these incentives have promoted aquaculture expansion at the expense of the coastal resources that small fishers depend on for their livelihood. Unregulated aquaculture has greatly reduced wild fish stocks by destroying their breeding and spawning grounds in the coastal areas.

Along with tax incentives, the unpaid environmental costs—also called market externalities—have made aquaculture products cheaper (though only temporarily because in the end the environmental costs will be such as to make production unsustainable). Tilapia, which now costs less than galunggong, is a case in point. Its lower price has given it unfair advantage over galunggong and other fish products by small fishers.

Let us make clear that we are not against aquaculture as such, but only its destructive forms. We are against the bias that government policies have shown for one sub-sector (aquaculture) while neglecting and even harming another sub-sector (small-scale fisheries). We are against undeserved tax incentives and market externalities that both result in trade distortion. We are against the weak regulation of aquaculture operations, just as we are against the weak enforcement of laws prohibiting commercial and illegal fishing in municipal waters.

We are, however, for comprehensive policy reforms that will give priority in the development of the fisherfolk sub-sector, ensure effective fisheries management and law enforcement, and promote sustainable aquaculture and equitable fisheries trade. Only through such policy reforms can President Arroyo's pro-poor agenda in the fisheries industry be achieved.

—JAIME ESCOBER JR.,
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What common sense tells about homosexuality

THIS is in reaction to the letter of Ms. Cristina M. Cristobal (PDI, 7/6/04) who commented sayatdvdy on the article of Brenda A. Gelacio. (PDI, 6/27/04) I think it is unfair to lambaste the "concerned grandmother" just because Cristobal does not share her views.

The main point in homosexuality is that it is an abnormality that has to be cured, and not promoted. While it is true that the American Psychological Association has removed homosexuality from the list of mental disorders, this does not change the fact that it is an abnormality. One's belief that something objectively abnormal is normal does not cure it of its abnormality.

We really have to save our country before it goes to the dogs. The United States is not actually a model for a healthy moral environment. Let us help our brothers and sisters who are homosexuals get cured of their abnormality. What we cannot do is to condemn them. Even biologically speaking, it is just abnormal for persons of the same sex to unite. This is plain common sense. I have not argued about the moral dimensions yet.

—JR DE ON,
jrdizon@yahoo.com

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Across the NATION
Assistant Editor Tony Bergonia

2 N. Samar towns have no execs

By Joey A. Gabieza, PhilStar Visayas Bureau

CALBAYOG CITY—For almost two weeks now, two towns in Northern Samar have remained without elected public officials.

William Nitro, Department of the Interior and Local Government district for Eastern Visayas, said he had recommended to the DILG's central office that an immediate presidential intervention was needed in Silvino Lobos and Victoria as the two

...ment of leadership could hamper the continued delivery of basic services in the towns.

Nitro said it was urgent that President Macapagal-Arroyo appointed officials in an acting capacity.

"The President under Administrative Order No. 188 can designate temporary officials to fill in vacancies in local elective offices to prevent the disruption in the operations of local government in the areas," he said.

In the case of Silvino Lobos, an...ning candidates have yet to be proclaimed as the Commission on Elections or have but yet to submit the special elections in eight barangays of the town.

The elections on May 10 in the eight...lages were suspended due to incidents of ballot stuffing, terrorism and failure to report by members of the board of election inspectors, among others.

The election results in three barangays, Nitro said, were "very manageable" as the turnover of local executives. There are 12,209 registered voters in the eight barangays. Silvino Lobos has more than 9,000 registered voters covering 23 barangays.

Hazel Jarina of the Liberal Party and Gabriel Bautista of the ruling Lakas-NUCD contested the post.

Initial results of the elections showed that Jarina was leading by more than 1000 votes over Bautista.

Victoria also has no proclaimed winners of the May 10 elections as the Comelec has yet to order the resumption of canvassing after it was suspended on allegations of fraud raised by rejected candidate Teodoro Armand Uykiao (Aksi).

DPWH flubs project, sends sewage into Burnham Lake

BAGUIO Mayor Braulio Yaranon peers into the Burnham Lake which had gone gray and gray due to bad water coming with good. He traced the problem to an open drain that was left unfinished by DPWH during the summer.

By Vincent Cabreza
PDI Northern Luzon Bureau

BAGUIO CITY—Tourists may have wondered why Burnham Lake here smelled like sewage instead the end of summer.

Well, it was sewage. The Department of Public Works and Highways allegedly flubbed a drainage project between May and June, resulting a mixture of hospital sewage and rainfall drain water down the only man-made mountain lake, Mayor Braulio Yaranon said.

Josephine Chan, a senior government architect, said DPWH agreed to fast track the "restoration" of a drainage project only a few days ago, after the city administration filed to protest upon Yaranon's assumption on July 1.

Chan said budget constraints supposedly forced the DPWH to suspend its plan to build a concrete interactive drainage system beneath the whole stretch of Burnham Park.

"I traced patches of water coming out of hastily-covered sections of the park, which proves that the drains are incomplete," Yaranon said.

"I was certain something was missing in February. Water from the fountain was muddy, and when water hit my eye (during the Panagbenga Baguio Flower Festival) parade), my eyes were briefly irritated," he added.

The park was designed by famous American landscape architect Daniel Burnham in the early 1900s.

Baguio's American builders also constructed a huge drainage network, big enough to serve as tunnels or subway trails. The drainage leads from the Burnham Lake to the end of a block where the public market is located.

The drainage from the Baguio General Hospital and Medical Center leads to the Burnham Lake drains.

The DPWH built a parallel drain system where the original tunnel could no longer keep downstream Baguio from being flooded in 1992.

The Burnham Lake project was supposedly part of the "concreting" moratorium.

Chan said the Yaranon administration is favored on enhancing Burnham Park's greener features.

Chan belongs to a group of architects who designed a "reinvented Baguio landscape" for Joseph Alcantara, for their Baguio architect said the park's original design called for urban development fronting the historical mountainside.

Chan's concept for the park is a combination of extensive landscaping and architectural culmination. "But still retain the original concept of Daniel Burnham."

The designed must views for the park, the relocation of an orchidarium, towards the west side of Burnham Park and the "deconstruction" of hydroponics.

Former Mayor Bernardo Vergara was criticized for trading some of Baguio's designated open-air facilities.

Batangas gov wants capitol land cleared

BATANGAS CITY—Only on the first week of his term, Gov. Armando Sanchez has ordered people occupying government-owned land around the capitol building in Barangay Kumintang Ibaba here to vacate their houses in 15 days.

The order would render homeless about 300 people, 1000 business establishments, and about 200 students living in boarding houses near the Lyceum of Batangas.

The eviction is just the start of the impending beautification project of the provincial government, the governor learned.

"They were asked to vacate in 15 days from receipt of the order or else, they would have to face the legal consequences and eviction," Apostol-Gomez, the new provincial administrator said.

Gomez said the provincial government planned to tear down condemned and useless structures, and residential and commercial buildings on the property owned by the provincial government to start the rehabilitation and beautification of the capitol.

"There is already an architectural landscaping plan to rehabilitate the Laurel Park beside the capitol, renovate the governor's mansion and plant more trees to put up a formal park," Gomez added. "All that will be done to make the capitol a more habitable place for Governor Sanchez who now spends more than 12 hours working at the capitol."

Relocation

Gomez said the project would also require tearing down the buildings of the Land Transportation Office, National Bureau of Investigation, the Department of Education and all the other government buildings beside the capitol building.

"Those offices will be relocated to the Batangas Provincial Sports Complex in Sulibok, Balagtas City," he said. "There, the people can have access to centralized transaction." The sports facility is about 12km from the capitol.

But the residents of settlers on the capitol grounds will not be provided with a relocation site. "It's not our problem. They have known from the very start that the land is not their own, so they should go and give it back to the government because it is now needed," Gomez said.

The project has long been planned as soon as Sanchez took an governor in the May polls, he said.

"It's the right thing to do. The residents there, or the occupants of the government-owned lands have been given the right to occupy for more than 20 years. And only those who were given the right were the former capitol employees loyal to Gov. Belisario Leviste in 1986," Gomez said. "The right to occupy is non-transferable, but they handed it down to their children and their children's children, and worse, not only for residential purposes, but for business as well."

The houses near the Governor of Batangas have been turned to modern boarders or turned into restaurants, stores and computer shops that cater to the students.

Gomez said the provincial government was not expecting any opposition from the residents.

"They have no rights to complain. There a resolution in 1986 that gives them the right to occupy the land, but they have to leave as soon as the provincial government needs the lands," Gomez said. Mel Magsino, PDI Southern Luzon Bureau

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Fisheries center marks year by retiring personnel

By Ma. Elena Lukban
PIA Visayas Bureau

TIGBAUAN, Iloilo— The Southeast Asian Fisheries Development Center (Seafdec), an aquaculture research institute 25 km south of Iloilo City, celebrated its 31st anniversary Friday without the usual balloons, buffet and banner.

"Yes, it's unusual, the 31st(st) anniversary is 31 years," said Roland Platon, chief of Seafdec Aquaculture Department.

The Department will completely retire all of its 180 personnel come midnight of July 26. On July 27, many of them will be rehired but 40-45 percent will lose their jobs. Those who will be rehired will receive 20 percent less of their old salaries and 60 percent less of their old benefits.

The situation has affected the morale of employees, even if they will receive their full retirement benefits. The few who showed up in Friday's anniversary rites were sullen. Some wore black as a sign.

When Seafdec's anniversary rites stretched for a day, this year it was another. The highlight was a series of book launch attended by fish farmers, librarians from fishery schools, and some Seafdec personnel. Gone were the lavish spread of food; the center served only coffee.

Platon said the depletion of coastal shrimp resources were mismanagement and conflict of interest issues. It came at a time when the Philippine government slammed down Seafdec's budget from P221 million in 2003, P127 million in 2004 and P136 million this year.

The protest against Platon took up most of the time of the scientist-researchers over the past year, when rallies and protest caravans were staged. Residents of Bayawas, the host community of Seafdec, have supported them.

The protesting scientists asked that the government no longer nominate Platon for a fifth term as the center's chief but the Seafdec council decided to keep Platon. In deputization of the protesting scientists resigned.

Platon said the move to declare all positions vacant came after deliberations were made in the Research Development and Advisory Committee of the Department of Agriculture. The committee asked the Development Academy of the Philippines to study and make recommendations on the problems affecting Seafdec. Then the recommendations were submitted to the Philippine Technical Assistance Center (Philtac) gave a go-signal for its implementation.

Platon said he was tasked to implement the personnel cuts to ensure "Seafdec's survival and existence."

It will take another six months before Seafdec adjusts to its new set up, said Platon.

DAR belies CHR report on CARP land overprice

By Anna Pie
PIA Visayas Bureau

BUNAGANA, CITY—The Department of Agriculture in Negros Oriental has hailed a report of the Commission on Human Rights that the DAR officials inflated by P24 million the value of the 400 hectares of land acquired by the government in 2002 under the Comprehensive Agrarian Reform Program.

Shepherd Lysmiha, the provincial agrarian reform officer [Parc], stressed that it was the Land Bank of the Philippines and not their office that determined the valuation of the piece of land placed under CARP.

Lysmiha said the DAR only inspected the land and gave its report on what crops were being grown on it, if there were any, to assist the Landbank in its valuation.

Lysmiha was among 13 DAR and LBP officials charged with violations of the antigraft law by the CHR before the Office of the Ombudsman in the Visayas on Tuesday for alleged-ly blowing the value of the 260 hectares land that the DAR acquired for 243 farmer-beneficiaries in Sitio Bunagakid, Barangay San Jose in Sta. Catalina.

Acting on the complaint of the beneficiaries, the CHR said its investigation showed there was no reason for the price of the land to triple in value from the initial offer of P12 million to the purchase price of P36 million, because the basis for the increase—the 226 hectares of sugarcane field and the 40 hectares of coconut trees—did not exist when the DAR field inspectors visited the area in 1996.

Lysmiha said they welcomed the filing of the case because the Ombudsman to allow them to clear their names.

"We are thankful that the case was filed because this will be our opportunity to present our side and address this issue with finality," he said.

Lawyer Raphael Ortillera, former CHRP legal officer and another respondents in the case, said there was nothing illegal about the sale of the property. He, however, lamented that the issue involving the farmers in Bunagakid had been raised repeatedly coinciding with the change of administration on the national level.

The DAR officials also expressed dismay at the CHR investigation, saying they were never consulted before the results were made public.

Lawyer Johnson Sitoy, former Pass of Negros Oriental, who was also named respondent in the complaint, said his human rights were violated by his inclusion in the report unjustly because he was the Pass in 1998.

"Not nowhere in the report does it state that I committed any wrongdoing," Sitoy said.

Town pleads for rescue after 'Igme'

BAGUIO CITY—A Kalinga town has asked the Office of Civil Defense (OCD) to fast-track rescue efforts, as it remains isolated by landslides triggered by typhoon "Igme" last week.

Former Balbalan Vice Mayor Allan Mangaoang called the Information Bureau in Baguio to plead for help, saying residents had resorted to rationing to stretch their food reserves.

"We have to cross huge piles of rocks to reach the next town so it takes time to bring food to Balbalan [which is 78 miles from the capital town of] Tabuk," Mangaoang said.

He also contacted an OCD agency that shared landslide and flash flooding in northern parts of Tabuk. "They were from Balbalan," he said.

OCD officials said their bid were originally from the Department of Public Works and Highways to assess the damages to the Balbalan-Tabuk Road.

On July 5, Balbalan elders prayed over a body that was recovered after being buried since July 1 when a huge landslide hit Southern Luzon.

The village was Barangay Balgasan in Impet, Bongao, a town located that Johnny Sinsin, 45, of Sitio Tevoled, Bongao, had been buried alive by a landslide after he was loading an Philex Mining Corp. consigned tons-ton, and Eduardo Amusatan, barangay captain of Balgasan.

Val Catalina, a Tuba town councilor who alerted the Inquirer about the recovery, said Pagasa's vehicle outlawed only where barangay residents began clearing operations along the Philex provincial road. Philex excavables both Tuba and Itogon.

Pagasa was apparently negotiating the road at the height of the typhoon when a landslide forced the vehicle to plunge into a 30-meter ravine, according to rescue workers there.

Villagers, however, refused to mourn the body until they explained Pagasa's spirit "to avoid harming his rescuers," Amusatan said. Elders are required to appease such spirit by rituals, he added.

In Tagbilaran City, Vice Gov. Dionisio Pagulayan declared Cotogyan in a state of calamity. Reports showed the storm only spared the towns of Anonas Nilba and Santa Dionisio from floods.

The Provincial Disaster Coordinating Council reported that Igme damaged or destroyed 1,93,000 houses, P106,000 worth of crops and manmade products, and P49 million worth of infrastructure.

In Central Luzon, Igme damaged P1.28 million worth of palay, mostly ready for harvesting, a report from the regional Department of Agriculture said. The losses were highest in Aurora, Nueva Ecija and Tarlac. Vice-gov. Calbrosio and Edmundito Calalay, PDI Northern Luzon Bureau, and Jonathy Ocejo, PDI Central Luzon Desk

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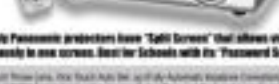

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SC orders return of seized land titles

ILAGAN, Isabela—The Supreme Court has reversed a decision of the Court of Appeals that upheld the raid of the National Bureau of Investigation on the Isabela registry of deeds office in Barangay Alibago here in 2000.

The high court has ordered the NBI-Cagayan Valley regional office to return to the Isabela registry of deeds office all the items, mostly false land titles, receipts and judicial entry forms, it seized on Feb. 17, 2000.

The high court said a search warrant must conform with the requirements of the constitutional and statutory provisions under which it was issued. Otherwise, it is void, the court said.

Lawyer Ariel Vallejo, then the registry of deeds head in Isabela, elevated the special civil case he continued to the high court when the appellate court junked his plea to quash the search and seizure warrant.

Vallejo said the CA by junking the case, Judge Isaac de Allam of the regional trial court for issuing the search and seizure warrant, and NBI Cagayan Valley head agent Franklin Jasico for leading the raid.

Vallejo said the appellate court committed grave abuse of discretion due to lack or excess of jurisdiction.

"To uphold the validity of the warrant in question would be to wipe out completely one of the most fundamental rights guaranteed in our constitution, for it would place the sanctity of the domicile and the privacy of communication and correspondence at the mercy of the whims, caprices, or passion of peace officers," the high court said.

The high court said the CA allowed technicality rather than substantial justice to prevail.

Four years ago, NBI agents led by Jesiel Ariesel arrested Imelda of Isko Jalus, Ginick land titles and other documents from the Isabela registry of deeds office.

NBI agents removed the search warrant to the judge and informed him of the "positive findings" of fake land titles after the raid.

The raid came three months after the NBI got a tip from Vallejo on the presence of several fakes who submitted fake land titles.

A fiscal was later arrested in an entrapment operation and was investigated along with deeds office workers. A registry of deeds clerk who turned state witness blew the lid off later.

State witness Bonedine Bit-liner provided information to the NBI and eyewitness the scheme being used by some corrupt employees at the office. *Hilomon Tinoy Jr., PDI Northern Luzon Bureau*

GMA has big stake in fight for Senate presidency

Front page 1

that she gets the men who will facilitate the passage of her legislative agenda.

Mr. Arroyo has learned the hard lesson of the often-underrated old Senate: aristocrat-hijacked arsenal of her key reform legislation, some of which are being reintroduced in her new agenda.

Enrile failed to get the Senate leadership of her choice would put to the test her ability to prevail upon her party or coalition mates and make them subordinate their ambitions and narrower interests to the larger interests of administration and the ruling party.

Drilon has numbers

The Drilon/Villar rivalry is but an intra-party affair that can be settled internally owing to the fact that the elections had left the opposition decimated.

Drilon is confident that he has the numbers. At least 13 votes are required to win the Senate presidency.

To dislodge Drilon, Villar has to get the support of his core group, plus all nine opposition members. This is a formidable obstacle to overcome.

Since Drilon appears to enjoy large support among the majority, including the eight newly-elected senators, it does not seem he would need the votes of the minority.

Sen. Juliet Arroyo put it succinctly when he said that since the administration won a "commanding majority" in the Senate, there was no need for a coalition with the eight minority senators.

Opposition Sen. Aquilino Pimentel Jr. currently interceded the drift of events when he said that although Mr. Arroyo had said she would not intervene, she would "because she wants control of the Senate."

Pimentel did not offer new words of wisdom. In the history of the Senate presidency since the administration of President Manuel L. Quezon, there has never been a contest in which Malacañang did not intervene.

Control of the Senate is a strategic checkpoint for the national agenda. Without this control, the agenda is a dire wait or lost.

Pimentel was merely stating the iron logic of political reality and expressing a lesson in Senate politics on the naive but ambitious Villar.

Bias for Drilon

If political reward is an important consideration in Mr. Arroyo's intervention in the Senate presidency, he logically was currently pointed out by Pimentel when he said that the President had a "bias" for Drilon because he delivered the votes of Bicolnon her.

Politics is about distribution of rewards. That's the reality, and if the rewards also help Mr. Arroyo in political control and consolidation, there is nothing incompatible between these two considerations.

The massive Visayas vote, more than any other factor, was mainly responsible in giving Mr. Arroyo a fresh six-year mandate. Although Mr. Arroyo lost in more regions than Fernando Poe Jr., she steamrolled Poe's gains by tilting on the crest of the rabid wave of votes from Western and Central Visayas. She garnered 1,810,946 votes in Central Visayas (of which nearly a million came from Cebu) against Poe's 405,832.

In Iloilo and Western Visayas, Drilon's stronghold, Mr. Arroyo won 935,816 votes against Poe's 359,458. The Western Visayas total more likewise swept Michael Defensor-Santiago back to the Senate and explains her spectacular political comeback.

Mr. Arroyo lost in Poe in Bicol Mountain, a historically opposition area, except in Liz Pilar Oil's Villar's home base, where she topped Poe with just over a thousand votes, a spark in the context of more than 30 million votes cast in the last presidential election.

On the basis of these results, Villar has to look for a more substantial basis from which to organize support for his bid for the Senate presidency.

Term-sharing

In the face of this political reality, it would seem odd that the proposal for term-sharing was put forward as a formula for deciding the Senate presidency. This formula was sprung out of nowhere at the new political landscape. Since it ignores the dynamics of the new Senate, it does not make sense or is irrelevant.

The term-sharing formula was conceived in the previous Senate where the administration held precarious control. The Senate leadership then rested on a swing of one or two votes, which would explain why for two years, there had been no less than three changes in the Senate presidency.

To ensure that the Senate presidency remained in the administration's hands, the term-sharing arrangement was sculpted between the Lacs bloc, Sens. Renato Cayetano and Drilon; it was feared that without this arrangement, the administration coalition would threaten.

This is no longer the case in the new Senate. To apply this formula would be crazy administration that the new majority is fragile and lacks the cohesion to push the administration's legislative agenda.

These issues summarize the larger strategic stakes for political consolidation in the contest for the Senate presidency.

Release of 2 soldiers held by rebels urged

Front page 14

more political than criminal.

"They were seized by the communist New People's Army during an encounter with Army soldiers in Tiburbur town in Lanao Sur on Feb. 20. One soldier was killed and six others were wounded during the gunbattle."

Pedelino's wife Lea has sought the help of top Army officials to help her find her husband in time for their daughter Alea Nicole's second birthday on Aug. 16.

Birthday gift

"This will be the best birthday gift that we can give to our daughter," she said in a statement issued by the Army yesterday.

Finding Pedelino will be all the more special for his family since his wife is expecting their second child in November.

Lea extended her appeal to Communist Party of the Philippines (CPP) spokesperson Gregorio "Ka Roger" Rosal who, she said, could ensure her husband's release if he wanted to.

At the very least, she asked the influential rebel leader to allow her to talk with her husband.

Similarities

In the last months that Pedelino was missing, Lea said she got a glimpse of him only through pictures that the NPA Komite Lakbayan Command released to media outfits on March 31. The rebel unit operates in Bicol.

According to her statement, the pictures apparently had "troubling" similarities with the image of the TV footage showing Filipino driver Ge la Cruz as he stands transfixed, kneeling in front of his captors, a group of Iraqi militants demanding the withdrawal of the Filipino contingent from their country.

Looking impoverished, Pedelino and Simeon were shown handcuffed in the presence of heavily armed communist guerrillas, it said.

Since the images were released nearly four months ago, nothing has been heard of the two soldiers, prompting Pedelino's wife to come forward and seek government help, the statement said.

Palace exec explains snafu in 'release' of hostage

THE DESERTED house of hostage victor Angelo de la Cruz in Barangay Bancuertas in Mexico, Pampanga.

his Iraqi captors, who had demanded the withdrawal of the Philippines' 51 member humanitarian force in Iraq.

The gunmen, in a new statement yesterday, gave the Philippines until July 20 to withdraw its forces and the Arroyo administration 24 hours to make it sure its promise about withdrawing the troops.

From jubilation to grief

Apparently "burned" by the announcement, Malacañang declared yesterday that all information about the hostage crisis would, henceforth, come from the Department of Foreign Affairs.

As a result of the "team users," Ms Arroyo has reminded officials to be more careful with their statements, journalists said.

Gonzales said the release was also aborted by the presence of American troops who were patrolling the area. He refused to identify the drop-off point, saying, "It might still be used in the future."

Completion has changed

"We have to understand that the captors were not being pursued only for the three but by the Iraq forces as well," he explained. "That's why they're very careful in their movements."

Gonzales said Saturday night's incident changed the "completion" of the deal. He declined to speculate on this all-way not last for De la Cruz and his family.

"The Iraqis are still open to negotiations and that's the good thing," he said, pointing out that the captors have not backed out by the terms the schedule of De la Cruz's release.

He said the new deadline was 2 a.m. today (Manila time). News reports from Iraq put the new deadline at 12 p.m. Iraqi time or 5 a.m. today in Manila.

Go-betweens

Gonzales' optimism was based on what he said was the hostage-takers' "appreciation" of the Philippine government's predicament.

Ms Arroyo's statements tapped by the Bush administration asked the captors to free De la Cruz, explaining that the Filipino contingent was in Iraq only on external humanitarian and to those affected by the US invasion.

Anyway the contingent was scheduled to leave on Aug. 20, according to Gonzales.

He said these points apparently convinced the Iraqis to decide to free De la Cruz "with no conditions."

GMA irked

Considering the Saturday blunder, Gonzales asked government officials, the media and the public to be more careful in handling crucial pieces of information, such as those pertaining to the De la Cruz crisis.

A Palace source who asked not to be identified, said the information that De la Cruz would be released on Saturday had come directly from Philippine officials on the ground in the Middle East who were in touch with the terrorists.

The source said that Ms Arroyo was shocked by the sudden change of heart and by their new demand—made a few hours after their previous agreement to free De la Cruz—that Filipino troops to quit Iraq by July 20.

Talking in Arabic

The separate decision to back down on the agreement to release the Filipino final given to negotiators in Arabic over whether De la Cruz was still alive, the source said.

Ms Arroyo's source said the impression arose with the kidnappers were in Arabic and the translation in English tended to be confusing.

Sen. Tessa would not be reached for comment. The lawmaker called her several times on her cell phone but there was no answer.

Labor department insiders said the secret of Mrs. Tomas' admission was the De la Cruz's brother, who is based in Saudi Arabia and who had reportedly has ran negotiations with the group holding hostage.

The information that Mrs. Tomas got turned out to be false, the insiders said.

Militants react

Militant groups said yesterday like Ms Arroyo and Gen. Tomas should be held accountable for the false information about De la Cruz's supposed release.

The wrong information could jeopardize further negotiations, party-list Rep. Liza Maza (Gabriela) told reporters.

Bagong Alyansang Makabayan spokesperson Renato Reyes said Sen. Tomas should resign immediately because of the confusion she caused.

Communist spokesperson Gregg de Vas Jaque" Bilasi demonstrated Ms Arroyo for linking the family of De la Cruz "for a notorious and agonizing ride" for the wrong report about the woman's release.

"It's very painful to the family," Bilasi said. With reports from Edson Cantero, Bamboo Jr. and Doffie T. Medina Jr., AFP Southern Luzon Bureau

Pinoy not yet free; death threat stays

statement quoted on the Arabic al-Jazeera television.

"We give the Philippine government another 24 hours starting from 11 p.m. Iraqi time on Saturday to close it is serious about withdrawing its troops."

Ms. Tessa had said on Saturday night that De la Cruz was being taken to a safehouse here to be reunited with his Filipino officials, prompting his family, friends and other Filipinos to celebrate.

Ms. Tessa said Ms Arroyo even called De la Cruz's wife Zeny and told her that her husband had been freed.

"The release of [a, as]s to Hostage [He has been released, Ms Arroyo said]," Zeny also told ABC television network.

Hours later, his captors denied that De la Cruz had been released.

The Department of Foreign Affairs announced Saturday that the country's 51-strong peacekeeping contingent would be withdrawn when its current mandate ends on Aug. 20, but the pullout could start as soon as the hostage crisis is over.

Manila had hoped that this would satisfy De la Cruz's captors, who initially demanded that the Philippine contingent be withdrawn within three days, but then evaded the demand, after the pullout announcement.

Upset?

A senior government official told The Associated Press on condition of anonymity that the hostage-takers may have felt upset by news reports quoting Philippine Cabinet officials as saying that De la Cruz would soon be released, and backed out of the plan to free him early yesterday. (See related story on Page A11.)

The official said De la Cruz may now be in the custody of another cell of the same group of militants that had seized him.

The official said government negotiators may now be back to square one because of the bungled flick of troops to save De la Cruz and were trying to establish contact with the kidnappers using a wide array of possibilities, according to AP.

The government has ruled out any pullout of the Philippine peacekeeping contingent in Iraq should Aug. 20 because of the serious repercussions to the close relationship between Washington and Ms Arroyo's administration and the damage it could do to the image of the Philippines as a leading backer of the US global war on terror, the official said, AP added.

The Philippines has been watching a tight-rope while trying to balance efforts to free De la Cruz and maintaining its commitment to Washington.

Church appeal

Cebu Archbishop Ricardo Cardinal Vidal has met with Ms Arroyo to reiterate the appeal of Catholic Church leaders for the government to save the De la Cruz.

Cebuano Bishop Deogracias Iñiguez said Vidal "will" to Malacañang Saturday night to personally convey the Catholic Bishops Conference of the Philippines' sentiments on the hostage crisis.

Iñiguez, chair of the CBCP's permanent committee on public affairs, said Vidal informed the CBCP plenary assembly of the meeting yesterday.

"He made an appeal as the President to take note of the situation, to pull out troops from Iraq earlier if possible. The meeting, I think, was positive," Iñiguez said.

The bishop himself said he was personally in favor of pulling out the Philippine contingent from Iraq, knowing the consequences of such intervention in the Iraq crisis.

"I think this is one of the signs presented to the Filipino people, especially to our government, to reexamine our involvement in [militarized] activities. This is a very very solid opportunity for us, especially policy-makers of the land, to reconsider," Iñiguez said.

Rallying point

"I came to visit Angelo ... This is a beautiful event, but a person has come out to become a rallying point for the government to really think about these matters," he said.

"Yesterday was a false hope. Do we not rehearse? but we are hoping he will soon be free," a Philippine [illegible] minister in Baghdad said when asked about De la Cruz.

The source said he had heard nothing since the kidnappers had released their deadline was left the deadline had no indication that the hostage might be released soon.

South Korean also still hung over two Bulgarian truck drivers seized in Iraq, but Seoul said it believed they had survived a Friday night executioner deadline set by their captors.

No developments

As of 2 p.m. yesterday, DFA officials said they had no developments on government efforts to reach out to the hostage-takers via intermediaries.

"Our sources either failed to contact the hostage-takers or have yet to give us any feedback. We are somewhat growing desperate," said a Filipino diplomat who asked not to be named.

The diplomat said that Philippine charge d'affaires in Iraq Henrik Dilaya would be meeting with Pakistani Embassy officials to seek assistance in contacting the hostage-takers.

Dilaya accompanied Arroyo's envoy to Pakistan, Foreign Undersecretary Rafael Seguis, special envoy to the Middle East Roy Cimatu and Democratic Workers Welfare Administration chief Virgilio Angeles — were put on standby to intervened in surviving the contacts the Pakistani Embassy said to secure the release of a Pakistani man abducted by militants days ago.

The men would also want to know how to comply with the hostage-takers' latest demand—that Manila should show it was "serious" about withdrawing its troops."

Meanwhile, a DFA official clarified that the government's statement that it would withdraw the Philippine humanitarian contingent to Iraq was not a change of policy.

"The contingent went to Iraq under the United Nations resolution. We earlier said that they would remain there for a year, so after one year they have to be out, unless the United Nations takes over the peacekeeping effort to Iraq and asks them to remain," the official added. With reports by Jess Blanche S. Alvarez and Artemio Arong

Cabinet imposes news blackout

STONE by erroneous reports that Filipino truck driver Angelo de la Cruz had been released, the Cabinet yesterday decided to tighten the news blackout on the "live hostage situation" by limiting the release of all breaking news reports through the Department of Foreign Affairs.

President Macapagal-Arroyo's spokesperson, Ignacio Bunye, said the Cabinet Oversight Committee on Internal Security (Cocis) agreed that all statements regarding the De la Cruz hostage crisis would be channeled through the DFA.

The Cocis members met at 2 p.m. yesterday and adjourned around 6 p.m. Present during the meeting were the Executive Secretary, officials of the DFA, Department of Social Welfare and Development, Department of National Defense, and the National Security Adviser.

The President was reported by "in and out" during the meeting.

Foreign Secretary Delia Albert read a prepared statement at the Malacañang briefing room but refused to take questions if only reporters.

Bunye and Press Secretary Ailleen Alingod also ignored questions on why the President made such a glaring error about the De la Cruz being freed.

Nobody said he is Cruz's "release" was based on statements issued by Labor Secretary Patricia Sto. Tomas and National Security Adviser Roilorio Gonzales.

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PHILIPPINE DAILY INQUIRER
MONDAY, JULY 12, 2004
METRO

Still a wet week ahead in north Metro

By Margaux C. Ortiz
and Edson C. Tandoc Jr.

THERE would not be any rain for it would still be wet.

That would be the situation this week in the northern part of the metropolis as the Metropolitan Manila Development Authority (MMDA) expected higher than-usual tides.

MMDA Deputy Chief Cesar Lacuesta said the tide is expected to reach a high of 11.7 meters from sea level this week from the normal elevation of 10.5 meters.

Lacuesta explained that this would still cause floods in the cities of Caloocan, Malabon, Valenzuela and the town of Navotas, which form the Caloocan area.

Same areas in the Camanava area have a low road elevation of 11.2 to 11.4 meters. There will experience 20 to 50 centimeters of flood, Lacuesta said.

He said the tide renders its highest level from 9:00 a.m. to 10:00 a.m.

Susulo Street, Tabalubal Street, Tangarajo Street, Sadulo Street and Langaray Street in Caloocan City will be affected by the floods, Lacuesta said.

He added that Lapu-Lapu Street, Sen. Recreation Street, Lever Road, Arellano Street, Governor Pascual Street, M. Naval Street and Rizalda Street in Malabon and Navotas will also experience flooding.

The periodically high tide, which occur from July to August, could submerge low-lying areas in thigh-high floodwaters, the MMDA official said.

Lacuesta, who oversees flood control for the MMDA, had said that the flooding in low-lying areas in the metropolis was a "normal, annual occurrence."

But seemed on cue, a Navotas official said flooding could be prevented in many areas of the town if people would dispose of their garbage properly.

Aide Caballes, in charge for flood control, said the Bagumbayan garbage had been clogging the pumps used to drain flooded areas.

Thus, Caballes said residents should avoid throwing trash in their creeks and canals, most of which end up in their pumping stations.

Two Saturdays ago, the pumping station in Dalig Bantay, one of two pumping stations in Bagumbayan Tanza, bogged down after a big get stuck in the system.

Aside from the two pumps in Tanza, another pumping station is on Hermogino Bonifacio, Flood gates and dikes have also been constructed in Tanza and Barangay Hacienda.

Navotas Mayor Toby Tiangco is planning the construction of another pumping station, this time in Barangay Tangos Almanza at the back of the municipal hall on M. Naval Street.

The P2.5-million project is projected to alleviate flooding on Tangos Almanza and Barangay San Jose, Tiangco told the Inquirer.

Manila market vendors to get law 'education'

By Tarra V. Quismundo

Finally, a glimmer of hope.

Many times driven away or harrassed, their goods seized and they themselves fined for illegal vending, market handlers in Manila may soon be beacons of hope.

Dasap Dalita, a nongovernment organization, is working to educate the vendors on their rights, their responsibilities and the limitations of their trade.

"Admittedly, vendors are really not adequately educated, that's why they are also hard to discipline," said Cecilia Bonilla, secretary general of Dasap Dalita, which was born out of a market vendors' association in Blumentritt Street in Manila.

Rights and protection

In a city where organized vending is severely implemented, Dasap Dalita hopes to educate market vendors about their rights to protection from abuse, and up to where they could fight for them.

As important are lessons of vendors' responsibilities.

Dasap Dalita aims to make vendors aware of laws and city ordinances governing them, for instance areas where vendors should not put up stalls.

The group, which hopes to educate vendors of why the laws were created and why they should obey them, also hopes to reach and teach Manila's market workforce.

Seminars

To accomplish this, Dasap Dalita is current- ly organizing seminars for vendors that would be held three times a week, in afternoons hours when public markets are not busy.

Bonilla said that market vendors' associations from Quiapo and Sampaloc have already agreed to participate in the seminars.

The organization is still holding talks with other market associations in the city to enjoin them to the project.

Dasap Dalita is now looking for other non-government organizations to help them organize the seminars.

"I know we can do it. The associations are in favor of the project," Bonilla said.

Not enough understanding

A vendor for 20 years, Bonilla, 41, observed that vendors did not understand their rights as sellers in public markets.

"Right now, it seems they have zero knowledge on the limit, because they are also not informed," added Bonilla.

Such comes as no surprise to Bonilla, as she noted that many market vendors barely finished high school.

Part of Edsa to be closed in Muñoz

By Margaux C. Ortiz

THE METROPOLITAN Manila Development Authority yesterday warned motorists of an impending traffic bottleneck at the Muñoz area in Quezon City tonight.

Because of the construction of a pedestrian footbridge, the MMDA will close the northbound line of Edsa from 10:00 p.m. today to 4:00 a.m. tomorrow.

MMDA Deputy Chief Cesar Lacuesta said motorists using the northbound lane are advised to traverse left and use two lanes allotted for those on the southbound lane.

Lacuesta said additional footbridges on Edsa would be constructed near SM North and SM City in Mandaluyong.

He also said three more pedestrian overpasses would be erected on C-5 Road, three on Marcos Highway and one each on Mindanao and Commonwealth Avenues in view of faster traffic due to the driverless schools.

WPD to undergo cleansing–Bulaong

By Terry F. Quiamzade

At THE National Capital Region Police Office (NCRPO) began a crackdown on the corrupt among its ranks, the Western Police District (WPD) is undertaking its own cleansing.

"I will personally investigate. And when they are found guilty, I will immediately sack them," said WPD District Chief Supt. Nesbert Bulaong, speaking on allegations that some of his men were involved in "holdup."

Holdup, a play of the term buldup, was coined to refer to the nefarious practice of some law men who arrest innocent people and threaten to file false charges against them unless they give them money.

Bulaong appealed to the public to report directly to his office any cases of holdup perpetrated by the police officials.

But also to protect policemen from harassment, the WPD director said every complaint would be investigated.

"We have to substantiate the claims, because some people might just be angry. It has to go through due process," Bulaong added.

However, he vowed to act on legitimate complaints while preserving establishments by keeping their identities secret.

In the end, a policeman found engaged in such an illegal operation would be stripped of his badge and his service firearm.

The WPD is coordinating particularly with Chinese-Filipino business federations, said Bulaong, as members of this sector had been targeted of killing victims of holdup.

"There will be no cover-up. Ako mismo huhuntar sa kanila (I myself would search them)," said Bulaong, recalling his statement to press.

FLOATER
A man floats from the calm of his city by floating in deep waters of the Manila Bay.

Gonzales stops new infra projects

By Luigi del Puerto

MANDALUYONG City is putting a moratorium on new infrastructure projects in the next six months to one year, newly elected Mayor Neptali "Neppy" Gonzales II announced this week.

Ongoing projects like the construction of the City Hall, however, would be finished, the mayor assured the public.

"My plan is, for the next six months, or even the whole year, as much as possible we would not engage in any infrastructure project," Gonzales said.

"We would concentrate on maintenance, garbage collection, peace and order, and the collection of revenues," he added.

This moratorium is completely in order to reorganize (the city's) collection department. The mayor said the first batch of his administration would be to go after those who have not been dutifully paying real estate taxes.

Gonzales explained that during his term in Congress, he envisioned projects that would be started only now, during his term as mayor.

These projects will be funded by his congressional allocation, so he city will not spend a single centavo.

Among these projects is the conversion of the Ilaya (upper) Elementary School in Barangay Barangay into an integrated school. This would facilitate the opening of a new high school wing, which would serve students in that community.

"The total cost of 30 classrooms, together with the fencing and ground improvement is from to about P62 million," he said.

"This already has funding. So it relieves the city of the burden of putting up (new classrooms)," he added.

With the moratorium on new projects, the city could then concentrate on the delivery of basic services like health care and education, Gonzales said.

The new mayor also wants city employees not to act like bosses to their constituents.

"Even if you are mayor, you are not considered as a king, but a public servant. Therefore, my challenge during my inaugural is a re-commitment and a re-dedication by all public servants in Mandaluyong that we be the servants of all," he said.

"Sometimes those who are working at City Hall think of themselves as bosses in their community, and knowing that (they are) the mirror of the kind of leadership that a sitting mayor has," Gonzales noted.

Gonzales said there would be no immediate changes in the composition at City Hall. But he expected everyone to work hard.

"I will work myself to death, I expect no less from the people below me—they should really be working," he said.

Rob suspect shot inside police car

MUNTINLUPA City police chief Senior Supt. Rodolfo Magbitang (left) and Supt. Ruben Cabanos (right) show the gun of Rob suspect Jonathan Ramos (center) who was killed inside a police car after he allegedly grabbed the gun of SPO1 Rodolfo Ganda, prompting PO2 Ferdinand Bongan and PO2 Ruben Cabanos to shoot him. Dave S. Quiamzade

MAGISTY in the head and chest killed a robbery suspect inside a police car as he was being brought in for investigation.

Police Senior Supt. Rodolfo Magbitang, Muntinlupa City police chief, identified the suspect as Jonathan Ramos, 23, of Tagpos Street, Barangay Tunasan, Muntinlupa City.

Ramos was killed by police investigators Ferdinand Bongan and Ruben Cabanos at around 5:30 p.m. Saturday in front of the Muntinlupa City Police Station 5 when he allegedly grabbed the gun of SPO1 Rodolfo Ganda, prompting the two officers to shoot him.

Ramos was rushed to the Ospital ng Muntinlupa but was declared dead on arrival.

Ganda and Ramos figured in a scuffle inside the police car after the latter was arrested for robbery.

Ganda and Ramos figured in a scuffle inside the police car after the latter was arrested for robbery.

We recognize that politics is often played beyond the ideal, but we cannot help but ask how far will this government go along the path of political expediency?

DSWD Secretary Dinky Soliman was one of the most devoted and competent secretaries in President Gloria Macapagal-Arroyo's Cabinet. Having dedicated her life to social development and service to the poor, it saddens us to see her leave. Dinky was not only a pillar of civil society, but also symbolized hope for genuine reform under the Arroyo Administration.

We are deeply disturbed that the "betrayal" of Dinky, seen in the context of many other political accommodations the President has made, exemplifies the erosion of the administration's reformist orientation. Certainly the reappointment of Comelec Commisioners Garcillano and Barcelona does not reassure us, because the Comelec was clearly unable to ensure a clean, honest, and orderly May 10 elections.

Given the challenges of implementing reform in this country, the government needs all the "champions" it can get, and Dinky Soliman was one of the very best.

In the wake of the ominous exercise of the President's prerogatives, we call on our colleagues in civil society to exert even greater effort to move government live up to its duties and accountabilities in serving the people. We also call on ourselves to consolidate and mobilize our ranks to ensure the realization of our struggles and capture once again the spirit of integrity, good governance, and social justice in the country. We call on the Arroyo administration to remain true to its promise to undertake meaningful social reform.

Finally, it is with pride that we express our heartfelt gratitude and admiration to Dinky Soliman, who has embodied what it means to be "a servant of the people".

Mabuhay ka, Dinky!

Caucus of Development NGO Networks (CODE-NGO) * Cordillera Network of NGOs and POs (CORDNET) * Empowering Civic Participation in Governance (ECPG) * Local Governance Citizens Network (LGCNet) * Shontoug Foundation * Consortium on People's Participation through Sustainable Integrated Area Development (CAPP-SIAD) * Institute for Popular Democracy (IPD) * Women's Action Network for Development (WAND) * Mediators Network (MedNet) * Pambansang Kilusan ng Samahang Magsasaka (PAKISAMA) * KASAPI * MASSPECC * Social Democratic Caucus (SDC) * PILIPINA * National Peace Conference (NPC) * Konsiyensyang Pilipino * Urban Land Reform Task Force (ULRTF) * Institute for Political and Electoral Reform (IPER) * Coalition for Bicol Development (CBD) * Iloilo CODE * Bagong Bandila * National Confederation of Cooperatives (NATCCO) * National Council of Social Development (NCSD) * VISNET Region 6 * Balay Mindanaw Foundation * Concerned Women of the Philippines (CWP) * Mindanao Coalition of Development NGOs (MINCODE) * Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDHRRA) * Leyte CODE * Federation of Free Farmers (FFF) * Young Leaders for Social Democracy (YLSD)

ROSALES lines up her putt on the second hole Saturday.

Rosales still loses ground despite a 68

MAGALANG, Pampanga—Meg Mallon, bidding for a second straight win in as many weeks, carded a 7-under-par 65 Saturday to increase her lead after the third round of the LPGA Canadian Women's Open.

The 43-year old Mallon completed 54 holes at 15-under 200, four shots ahead of Golf Digest Hall's Daniel, who signed for a 69. Mallon also shot 65 on Thursday and has led after all three rounds.

"There is no confetti," Mallon said. "But it is the second time I've got to have."

Mallon defended her fourth career major title and second US Women's Open last week in Hilton Head, South Carolina.

Canadian Dorothy Delasin is also in contention for her 15th win in 11 LPGA seasons.

Delasin, who is tied for third with Mexico's Lorena Ochoa.

Cristie Kerr entered the last of her three LPGA Tour wins in 1998.

Jean Reinhardsen, South Korea's Gloria Park and Thai-former Amy Song are tied for fifth at 207. Just a stroke behind were Jennifer Rosales of the Philippines and American Stacy Prammanasudh who both finished.

Rosales, fourth in the US Open after leading in the second and third rounds, finished four of the last six holes on the front nine for a 32. She bogeyed the 11th hole but recovered the stroke on the 12th.

Delasin noted she'll be going to take a few weeks to host Mallon, who is on top of her game.

"Somebody's on shoot 65," Delasin said. "That's pretty much what it's going to take. I shoot 66, 68, big shoots 69. That's the difference right now. That's pretty much what it's going to take."

The last of Hasaki's 32 LPGA Tour titles came here last year when she won for the first time since 1995. At 46, she became the oldest winner in LPGA history.

Mallon recorded seven birdies in a bogey-free round, starting with a 20-footer on the 51st hole. She needed all three straight birdies on Nos. 4-6, then sealed it three more on the back. Her longest was a 30-footer on No. 8.

AFP

Aging Espinosa TKO'd in comeback fight

FORMER World Boxing Council and World Boxing Association champ Lanlin Espinosa was stopped by American Carlos Navarro in the seventh round of their WBC Middle Olympic superbantamweight fight yesterday at the Santa Elena Hotel and Casino in Nevada.

The southpaw Navarro, especially as outstanding amateur whose career was sidetracked by a ban to Nate Campbell in 2003, outpunched the comeback Filipino after a sluggish opening round.

The 27 year-old Las Vegas resident was too quick and too strong for the 27 year-old Espinosa, who suffered a nasty cut over his left eye in the early rounds.

Navarro landed heavy punches to the body and head that soon set Espinosa. Referee Steve Smoger stopped the fight at 1:49 of the seventh round.

Espinosa, showing the rust of a 13-month ring absence, slid to 47-12 with 26 knockouts, after losing for the 5th time in his last eight fights. Gabriel C. Lagumbay, Contributor

Ramos heads Cup guest list

FORMER Miss Lady Amelia Ramos and Senator City Vice Mayor Herbert Bautista head the list of special guests in the Philippine Corporate Golfers' Cup 2 Tradition tournament slated July 12-16 at the Club 600 Badminton Center in Lilac, Quezon City and SM Megamall in Mandaluyong City, sources president of the Philippine Badminton Association, will be the guest of honor in the event of the quarterfinal round on July 13 at the SM Megamall. The will be joined by golfers Deputy Director General Rigoberto Sqlipay, PBA vice president, Sportscaster Send Mon Chua and co-Olympian Jacquie "Weesa" Lim.

Bautista will grace the opening Drive at Club 600 on July 12.

Heading the list of 27 events in the Corporate Cup held in cooperation with Dunlop Sports, an inter-week tournament Philippine Daily Inquirer Business Club TT, Cesar Montano/BSBC, Nashville, Garfield, BC 33, Lo Inc Realty, Mendez-Real Service Plaza, Philippine National Bank, FLEX, Procter & Gamble, Fisherman, Shangri-La and Sykes Asia.

CdO dribblers 3-on-3 champs

LAGUINDINGAN (RG CITY) pulled off a thrilling 20-18 victory over final invasion semifinalist to bag the title in the Tigers Motorcycle National Inter 3-on-3 Challenge in Davao, Laguna.

Mark Jaguin delivered the killer blows for the Mindanao team, scoring nine of his team's total output, including four straight points that put Laguna de Oro ahead, 19-16, with barely a minute left in the game.

The victory was worth P10,000 for Laguna de Oro players who also won a Lifan Motorcycle.

"It has been a terrible ride for all of the participants, not just the finalists," said Lifan Philippines general manager Phil Si.

Laguna de Oro upset San Isidro in the semifinals to reach the championship round. Other members of team are Alejandro Valdezanca, JP Tiday, Harvey Samson and coach Avon Martinez.

Patakbong Pinoy to boost SEAG support, buildup

THE BOOM Inter-Pataktong Pinoy will do its share through moral support and information dissemination in the buildup for next year's Southeast Asian Games, which the country will host for the third time.

"With the coming SEA Games, we at Boom-bang Pinoy are doing our part in preparing the Filipino mind not necessarily for the sports of competition but will interest in the games, but also the enjoyment that comes with participation in sports," said Jared Symonsson head Nelson Wacoong, who has allied his group with the Media Banners and Sports Promotions.

Jess O. Cuny, the company behind Boom Toothpaste and Deo-O Anti Dhibbi, supported the national athletes when Boom was named as the official toothpaste of the Philippine team to the Athens 2004 Games last year.

The advocacy for the SEAG starts with Boom-bang Pinoy's first Fun Run 5-K race in the Philippine National Police Academy and the Philippine Army

2004 Shell National Youth Active Duo Championship

FINALISTS

Visayas Leg

July 3 & 4, 2004

Bacolod Maxim School-Araneta Cubao City

Juniors Division

Boulder Division

All FINALISTS will compete in the Shell National Youth Active Duo Championship Grand Finals to be held from August 27 to 29, 2004 at Tubercosa, SM Megamall, Mandaluyong City

Django, 2 other RP bets...

From page A-24

To qualify for the 64-man match draw, a player must place among the top four in each of the 16 eight-man groups after the fourth qualifying scheduled Sunday. The round-robin play in the elimination is a race-to-five, and no-break affair.

Perez, now a California resident, rested his ire on Jorge Gutos of Argentina and Thomas Di Benedetto of New Zealand with identical, 5-2 route pummeling of their miserable stunt.

Ryan Jones, the world champion in Cardiff, Wales, four years ago, went down to Thomas Rauch of Germany, 5-2, before getting on the scoreboard with a 5-1 whipping of Finland's Mattias Ajus.

Meanwhile, Alex Pagulayan, a Metropolitan engineering Manila, took his first foray, a 5-4 tailender from Hallmich Haro Ollo after trailing his first two opponents.

The bookeye phase starting in the last 64 and in the last 32 will be a race-to-nine, winner-breaks format. It will be a race-to-11 in the last 16, quarterfinal and semifinal rounds and a race-to-13 in the title match.

A whopping $75,000 awaits the champion with a round from Martin Bernardini

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HIGHFLYER Mapúa's Jeric Teng and Arellano's Jeff Viernes battle for the ball during the Cardinals' game against the Chiefs. Teng finished with 15 points and 10 rebounds. (Photo by Jay Ganzon)

75 that's how hot your dashboard can get at noon
DASHGUARD

Electrical Underpass Points Be Aware of a Man Using Jumping Devices
Pasay City Police Station

Eagles swoop past Archers; Tigers score

By Jasmine W. Payo

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THE ATENEO Blue Eagles sustained a thrilling final-quarter rally to nip their archrivals De La Salle-Green Archers, 75-72, yesterday in the 67th UAAP senior basketball tournament at the Araneta Coliseum.

The Eagles, who played catch-up the entire game, tested yet indefatigable guard Roger del Rosario and veteran Larry Fonacier in igniting Ateneo's comeback before a roaring 6,863 crowd.

The Archers blasted out for four minutes at Peñalosa, who finished with a game-high 21 points, cut the lead to 69-61 with four clutch baskets midway in the final period.

An undergrad stab by Paolo Bugia finally gave Ateneo the lead, 67-66, less than three minutes remaining. Heel-footed UA Toyanes, who scored 15 points, then nailed a jumper for the Eagles' fledgeling quad.

"Good thing the players stepped up in the second half and we had clutch breaks down the stretch. Our players played big," said new coach Sandy Arespacochaga, whose team broke the Archers' 16-year opening game winning record.

The Archers, who led 45-32 at halftime, proved relentless until the dying seconds as Shiu Caylan drilled a trey to make it 72-71.

But Fonacier was fouled by Cardona on the next play and calmly sank his free throws.

It was another worst-to-first habitat for the University of Shiu Tigers pulled off earlier as their seasoned rajans stepped up to turn the Warriors of University Bulldogs, 68-71.

The Bulldogs, who led by six stands at 18 points, collapsed midway in the second period as team captain Christian Luanzon led the Tigers to a 20-7 tear by five on 11-point edge at the end of the third quarter, 64-43.

"It was good that we were able to come back in the second half. That was the real game of UST," underscored Mel Pecardo.

The Tigers also did better in the first time, sinking 35-of-their 48 free throws, compared with the Bulldogs' 14-of-26.

Earlier, the Bulldogs saved FEU's pride by downing the Adamsonians Falcons, 86-79.

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WHAT'S INSIDE

RP cue stars love the tightrope

THOUGHTS were lushly arcane of it. With or without luck, Pinoy crowd contenders still some changing into the top bracket of the Taiwan World Pool Championship.

But feared and respected as Pinoy shotmakers are in world elite, their continuous this growing assuredness over the ability of our cue artists to make the most unusual shots.

Filipino pool, from Bata Reyes, his compadres Django Bustamante down to the youngest netted by Lee Van Corteza, are armed with the uncanny ability to create impossible. His escape acts.

They also don't know anything to distract.

The way they kick off and bank their shots, not to mention their all-around shotmaking, has lent added matches color and vociferousness to big international tournaments.

Out there at the Trade Center in Taipei, an even 128 RP players, amusingly called the Dirty Dozen, are engaged in a shoot out with the world's best shotmakers.

***

OK, the tournament opened with RP's Nelseng Gallego threatening to unleash defending titlist Thorsten Hohmann of Germany.

Too hot, Gallego had consistently improved his standing in the WPC almost without a ripple.

But suddenly left to bank in the spotlight over his game against the defending titlist was featured on the TV table. Gallego lost his touch.

He visibly wilted under the glare of floodlights, the sharpness of the TV eye.

The happy thing for the Dirty Dozen is that Gallego's loss will not spoil the RP campaign in this year's world pool championship.

Before Gallego could fully fathom what had caused him to fumble and lose control of the cue ball, Django Bustamante, Baretto Corteza and Pendelio Luat came charging into the win column.

***

The near flawless display of the RP trio should be enough to show how the Filipinos would camp in this year's tournament among the finest pool sharks in the world.

Of course, the life in the championship bracket will not be an easy one for the Pinoy glory hunters.

Not the bunch of our players, really.

They have been so sharp and good that, in many previous tournaments, they would end up facing and crunching each other out for the right to go for the crown.

It would indeed be a big disappointment if nobody among the Filipino stars makes it to the final round.

In fact, late this early have been clamoring for the championship. First was he the country by Bata Reyes in Cardiff in 1999, and which Django Bustamante missed by a hairline as he fought to despite the tragic death of his daughter in 2000.

He remember that Django did not lose that close one against the Tambouran Karl Brickland because he suffered bout depression or whatever.

No, Django fought on gallantly but had the bad luck of having one too much power, a strange English as opponents to call it, into his crucial break.

With the stunning impact, the cue ball stalled at the middle table before careening miserably to the right corner for the bad rounds.

***

Anyway, Django, who followed up his back-to-back wins on Day 1 in Taipei Saturday with another double-feat win yesterday, has been claiming he and Baca have listened sufficiently for the current crown chase.

But, regarding the questions of amazed international experts on how and why RP pool stars like Django are armed with strange, enviable abilities to score under the tightest situations, the answer should be traced to upbringing.

In the Philippines, there's only one cue school for pool and it's no diploma mill either.

It's the school of hard knocks.

Maybe in many other countries, an opponent pool shark could have admiration if he plays good and sharply enough.

Not here, of course, where you've got to earn to collect your privilege.

Pinoy cue artists, from Bata down to the new breed, have had to pass through the most trying conditions so they are normally exposed to fancy betting.

The Pinoy cue star, over on the run, is at his most courageous, as his favorite bet, earning the escape act.

For these stars, it's often actually like walking the tightrope on the way to acceptance.

You lose your dinner and walk your way home if you're not careful and wise enough.

BARE EYE

Recah Trinidad

BUSTAMANTE loses cue tip on cue during a game against Alcaide of Spain. →

Django, 2 other RP bets post 3rd wins

DJANGO Bustamante and two other Filipinos roared to their third straight victories even as Jose "Antang" Parico bounced back yesterday in Day 2 of the qualifying round of the 2004 Taiwan World Pool Championship at the World Trade Center in Taipei.

The 15-foot Parico, since the event's pool king, stayed in contention with two decisive wins after dropping his first two games in Group 16 the other day by similar breathtaking 5-4 scores.

Former world pool champion Efren "Bata" Reyes also rallied from a 1-1 start in Group 1 to six competitor Dennis Orcollo, who formed through his first two matches with 3-1 records.

The 40-year-old Bustamante, who is ranked world No. 1, underscored his sizzling form with a 5-1 rout of Spain's David Alcaide in Group 7. In three matches, the Tarlac native has given up only two games to the opposition.

Lee Van Corteza, the brightest among the youngsters in the 12-man RP squad, matched Django's pace in Group 4 with a 5-1 nod over Kazuo Furuma and a 5-3 decision of Michael Schmidt of Germany.

Warren Kiamco also grabbed a piece of the limelight by posting his third straight 5-4 win in Group 13 after ousting American Danny Outlaw, Kiamco slipped past Jimmy Avery of New Zealand and Mario Scorpio of Austria.

Antonio Gabica won his first match in Django's group by shutting out Steve Lillis of the UK, 5-0, leaving Karol Gallego as the only woman Filipino to be took a second loss in Group 1 by bowing to Erik Wendum of Sweden, 5-3.

As yesterday, the standings of the other RP bets are Ritchie Mamilo, Group 1, 2-0; Antonio Lining, Group 5, 1-1; Rodolfo Luat, Group 9, 2-1, and Gandy Valle, Group 13, 2-1.

(See PAGE) 2/3

San Beda, Perpetual Help in vital 'NC' match today

[illegible] Solis of PCU hangers over the SBC Stags in the play.

STANDINGS	W	L
Mapua	3	0
Letran	2	1
Perpetual	2	1
PCU	2	2
San Beda	1	2
SSC	1	2
JRU	1	2
Benilde	0	3

[illegible]

HAVING crashed the winner's circle, San Sebastian goes for more even as San Beda tries to avoid a third straight loss today in the NCAA basketball tournament at the Rizal Coliseum.

The SBC Stags, who won their first match in three games last Friday, try to move up in the standings when they meet the winless St. Benilde Blazers (3-3) in the first senior match at 1:15 p.m.

The Lions collide with the Perpetual Help altars at 3 p.m. with last Bells coach Noel Rocela hoping his team would draw mental resolve to halt its two-game slump after a 2-0 start.

"It's not an issue of skill or system. It's more on mental. My players are having problems in overcoming adversity. When faced with a tough situation, they run foul shots and easy jumpers," said Rocela.

Perpetual, which finished just out of the cellar last season, carries an ugly 1-2 record.

"They're coming off two straight wins and we're coming from two straight losses. But we just have to work hard to go over this hump," said Rocela.

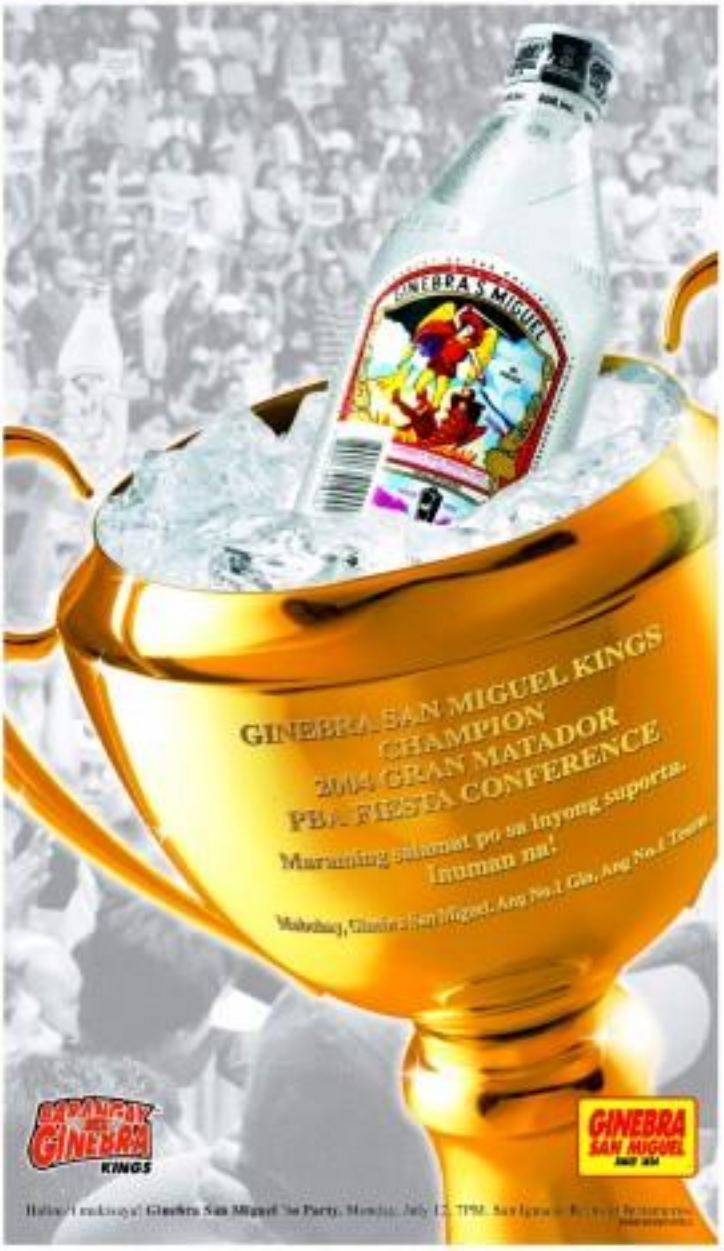
The Altars are getting a big lift from the surprising performances of sophomore forward Madyson Jim, who averaged 18 points in his last three games.

They are also getting steady years here from the reliable quartet of Roy Javier, Marvel Cuenco, Bambi Sorrenti and Bobil Mira.

The Lions are expected to bank on key players Arjan Cordero, Arnone Nicerio, Dustin Waghas and Jeff Bandoro.

The Stags, last year's runner-up, finally found their winning form against the PCU Dolphins.

In games play the La Salle Greenies, representing IU Benilde, meet the Staglets at 11:00 a.m., while the dominating clubs and the defenders collide at 2 p.m. *Jeannine M. Reyes*



Ginebra San Miguel still world's No. 1 gin brand

[illegible]

Ginebra San Miguel named 'outstanding brand of gin'

[illegible]

MONDAY, JULY 12, 2004

PHILIPPINE DAILY INQUIRER

BUSINESS

John Paul D. Marcelo
Assistant Editor Carrie S. Nartatez

TOSHIBA

Gov't pushes major infra projects

By Conrad M. Benitez

STATE-run National Development Corp. will provide P20 billion for the initial funding of the proposed Philippine Infrastructure Corp., according to Trade Secretary Cesar V. Purisima.

"We intend to raise as much as P200 billion for some 10 major infrastructure projects of which PIC will be the proponent," Purisima said.

"The first transfer would be valued from NDC's present investments as well as some other assets that would be transferred to PIC from the Privatization Management Office," he said.

Purisima said additional funding would be sourced through project-based funding from the government Development Bank of the Philippines, which is also the PIC's financial adviser.

The official explained that the incorporation papers of PIC, a subsidiary of NDC, were being processed and that the company was expected to start operations within this month.

He said the PIC's first project would be the repair of the Marcos viaduct and the 4.8-kilometer link between the South Luzon Expressway and the Southern Tagalog Arterial Road.

The viaduct repair would cost about P2.45 billion while the three-lane connector would cost at least P1.8 billion, he said.

Last week, Purisima said the government was pushing infrastructure development projects that would help attract new investments and encourage existing firms to expand in the country.

In particular, the integration of the Bias, Rizal and the Metro Manila Skyway into a single expressway to the detriment of providing easy access to users that would facilitate the movement of people and products.

The DTI chief said the project was seen to attract more light industries to locate in the area reached through this road system and also help decongest the port of Manila.

He said that with the current state of the roads, it was cheaper to move products between Metro Manila and Batangas than to do so between Manila and Benguet.

Traffic passing through the three road systems represents about 60 percent of the country's total exports since many electronics and semiconductor companies are located in the Calabarzon area.

Also, Purisima said PIC might identify 10 initial projects that would mainly open up access to more parts of the country.

"We want to push for other investment projects but it is difficult to get investors to start them," he said. "The establishment of PIC will empower these projects."

He said infrastructure projects would ultimately be pursued on a private-to-private basis, which would open the door to more participation by the private sector.

Currencies

PESO-DOLLAR RATE

P51.79 = $1

P56.27 = $1

As of 5 pm June 9, 2004

SOLID: BMB: 1-408-6

June 9, 2004 Country	Unit	Bank Buy(peso)	Bank Sell(peso)	Peso Equivalent
United States	Dollar	51.7900	51.8400	51.8150
Japan	Yen	0.4800	0.4820	0.4810
United Kingdom	Pound	93.4100	93.6100	93.5100
Hongkong	HKDollar	6.6400	6.6500	6.6450
Switzerland	Franc	40.2600	40.3600	40.3100
Canada	Dollar	38.0200	38.1200	38.0700
Singapore	Dollar	30.2900	30.3900	30.3400
Australia	Dollar	36.8100	36.9100	36.8600
Taiwan	NTDollar	1.5200	1.5300	1.5250
Saudi Arabia	Riyal	13.7900	13.8400	13.8150
Brunei	BDollar	30.0200	30.1200	30.0700
Kuwait	Dinar	175.1000	175.6000	175.3500
Thailand	Baht	1.2900	1.3000	1.2950
UAE	Dirham	14.1000	14.1500	14.1250
Denmark	Krone	8.3200	8.3700	8.3450
Norway	Krone	7.4900	7.5400	7.5150
Sweden	Krona	6.9200	6.9700	6.9450
Finland	Euro	63.1000	63.4000	63.2500
Euro	Euro	63.1000	63.4000	63.2500
Australia	Dollar	36.8100	36.9100	36.8600
Qatar	Riyal	14.2300	14.2800	14.2550
Bahrain	Dinar	137.3000	137.8000	137.5500
Malaysia	Ringgit	13.6400	13.6900	13.6650
Mexico	Mex Peso	4.6200	4.6600	4.6400
New Zealand	Dollar	33.8500	33.9500	33.9000
South Africa	Rand	7.5800	7.6300	7.6050
China	RMB	6.2500	6.2800	6.2650
Taiwan	NTDollar	1.5200	1.5300	1.5250

Stock Market

Lackluster trading seen this week

(See stock market report on Page B2)

"Another sideways session might prevail this week, with several players still struggling for investments. Some are likely to transfer from fiscal and consumers outlooks will add new profiling components, especially with the simultaneous increases in prices brought by the volatility in the world oil market," Cesario Cardenas of [illegible] said.

Despite the investors appetite for stocks, analysts said they see no aggressive rushing this week, although a natural selling that time to [illegible] conditions before investing in it.

"Most of these are OFWs and are predictable for aggressive selling to invest, as long these investors can see an increase in position in the

(continued on Page B2)

BSP seeks more power over ailing banks

By Doris C. Dumlao

THE BANGKO Sentral ng Pilipinas is set to lobby for stronger protection against insolvent and ailing banks as part of its charter amendments.

In an interview, BSP Deputy Governor Alberto Reyes said the central bank's new charter would be among the priority bills to be submitted by the new administration when Congress opens this month.

Reyes said the new charter should contain provisions which will in instances where senior banks could not be saved unless there was prior show of authority.

"It should be made clear that it should be the state, not the individual person which could be sued," Reyes said.

In connection with its quest for stronger authority, he said the Monetary Board had created a legislative committee to closely monitor the legislative process.

He said the committee's tasks would include the crafting and following up of the proposed BSP charter amendments.

(cont. on)

Law allows BIR to impose 'presumptive tax' on motels, inns

By Michelle V. Ramos

"THE GOVERNMENT need not go through the long and arduous process of legislation just to take revenue from so-called "sexcapades," as the Bureau of Internal Revenue can actually implement the impose even without seeking Congress' nod.

A Department of Finance official said that the BIR could exercise its power to impose a presumptive income tax on motels and inns, and therefore free the Executive branch from the hassle of lobbying in Congress.

"It's in the Tax Code. The BIR commissioner has the authority to impose a presumptive income tax, and the BIR chief can should be maximizing its power under the law," said the finance official, who requested anonymity.

Under Section 117 of the National Internal Revenue Code, the BIR commissioner is allowed to impose a presumptive tax on taxpayers whose amounts of income can difficult to determine. Presumptive tax is the amount of tax imposed on a taxpayer based on an estimate—and not actual—income.

"This is applicable to motels and inns because these owners do not usually ask for receipts, allowing the taxpaying passengers and others, and implement this not only on motels and inns. The BIR may collect presumptive tax from doctors, and other taxpayers whose income tax declarations are likely to underdeclare," the finance official said.

The "sex tax" proposal was raised amid concerns on how the government could make its collection efforts more effective.

It is expected to reach P19.7 billion by next year.

Cagayan Rep. Juan Ponce Enrile said he was thinking of filing a bill that would impose a presumptive tax on motels and inns.

A similar bill was filed in 2003 by House lawmakers on motels and hotels that fornicate hours, but

(cont. on)

Garment exports dip .74% in June, says report

By Ronnel W. Domingo

EARNINGS' exports in June posted a slight decrease of 0.74 percent to $206 million from $207 million in the same month last year, despite strong sales in the world's major markets, according to the Garments and Textiles Export Board.

Susan Aditana, GTEB executive director, said this was due to the local exporters' adjustment of inventory and price as it shipped products styled for the summer and early fall seasons.

"This means that while our export volumes increased, the items that were sold were of lighter materials and of cheaper value," Aditana explained.

From then, the official said the GTEB was sticking to its 2004 target of a five-percent rate amid tightening parameters of change in the market due to the scheduled removal of export quotas by year's end.

"To achieve the target, the local industry must grow in the second half by 5 percent," Aditana said. "The expected adjustment in inventory and pricing for the rest of the year would cover this."

The GTEB chief insists that the shipments in the second half of the year would consist of products made of heavier, more expensive material for the colder months.

According to data from the agency, total export values for the first half showed a 3-percent decline to $1.29 billion from $1.29 billion a year ago.

In June, exports to the United States dropped 5.16 percent to $177.2 million, US-bound exports in the first six months declined 8.41 percent to $922.7 million.

The US market accounted for 60.3 percent of total exports in June, and 66.5 percent in the first semester.

On the other hand, exports to the European Union shot up by 32.7 percent to $44.3 million last month and 20.2 percent to $244.5 million in the first six months.

Top EU destinations in the first half were Great Britain, with exports valued at $55.9 million, Germany, $54.1 million, the Netherlands, $37.2 million, Belgium, The Netherlands and Luxembourg) countries, $40.8 million, France, $33.9 million and Spain, $16.7 million.

Exports to Canada went up by 3.3 percent to $7.65 million in June.

Garments shipped to non-quota countries decreased by 3.8 percent to $26.2 million in June, and went down by 3.65 percent to $156.9 million in the first six months.

The biggest non-quota destination, Japan, accounted for 27.7 percent of exports last month. Shipments to Japan amounted to $43.5 million in June, a 6.8 percent decline from the same month of 2003.

ECONOMIC DEBT AGENDA

Romy Neri, economic planning secretary and Neda director general, details the economic development agenda for the next six years during the Economist Corporate Network and Philippine Business Leaders Forum held at the Manila Polo Club.

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Citibank unveils finance services for middle-income market

By Doris C. Dumlao

CITIBANK N.A. is about to make inroads in the Philippine middle-income market with its new financial management service for retail customers.

The bank last week launched the new service, called "Citibanking," for customers with liquid assets of at least P500,000 to P2 million.

Nina Aguas, country business manager for global consumer group, said that while Citibank enjoys a reputation in the Philippines as a bank favored by affluent customers, it hopes to extend its market reach in the middle-income segment with the new service.

With its foray into the mid-tier market, Citibank expects to achieve the same level of success as it has done with its higher-income customers, Aguas said.

During the launching, she said Filipinos remained largely conservative, and that only 28 percent of the population was investing in financial instruments outside of bank deposits.

"At this time, when market behavior can change in an instant and is influenced by so many factors around the world, you need to start looking to professionals for investment information," Aguas said.

Lest we forget, we DO have ADZs and EGCs

MINDANAO WORLD

Jyji Rogero-Iturn

JUST four years into the implementation of the Mindanao2000 Development Framework Plan, our planners in Mindanao seem to have already neglected to sustain the implementation of one of the island's major planning mechanisms, which is the ADZ/EGC system.

Among the major innovations of the Mindanao2000 was the concept of planning at the Area Development Zone (ADZ) and Economic Growth Cluster (EGC) levels. Hoping to replicate the Taiwan Growth Model, Mindanao planners embedded on this plan to ensure that rural satellites would not be left behind in the growth of the island.

In each ADZ, there would be one metropolis where economic activity would be integrated with the satellites, in terms of market, production and infrastructure.

Mindanao would have seven ADZs: SOCSARGEN (which was the first successful piloting of this concept), Davao Gulf, CARAGA, Cagayan Region, CotDEN "Expanded" (from the relatively successful pilot CDC), General Mindanao, Pengulf Bay-Mt. Malindang Area, and the Zamboa Coast-Basilan-Sulu-Tawi-Tawi).

The ADZs are further consolidated into clusters: the North Coast Agri-Industrial Corridor, the Southern Mindanao Food Triangle and Kiga Agri-Industrial Hub; and the Peninsular Mindanao Trading Center and Eagta Trading Hub.

Unequal distribution

Not to be mistaken as geopolitical boundaries, these zones merely ensured that economic growth would be spontaneously developed along identified project areas, as well as provide a means for such growth to be well-distributed among the provinces.

Except for the SOCSARGEN and CARAGA, which eventually managed to consolidate themselves into actual administrative regions, not much could be heard from the other ADZs. Even the four ADZs-cum-regions seem to have become engrossed in the mundane activity of regional administration at the expense of the realization of the ADZ framework.

Planning has reverted to the traditional spatial framework of regional clustering. While Regional Development Councils (RDCs) maintain their supervision over their respective areas, and the Mindanao Economic Development Council (MEDCo) energizes to balance both roles as Philippine-Eagta economic and integrator of the island remaining no one is left to connect that ADZ and EGC thrusts are followed through.

As a result, economic growth remains unequally distributed, with the metropolises seeing steadily mushrooming steady development, while the rural satellites plod along at their usual pace. Cluster priorities and growth areas are confined mainly in the metropolitan centers. Using the Human Development Index (HDI) as an indicator, you will see unequalities in a single region with HDIs ranging far from each other. As for the BIMP-Eagta, so much work still has to be done for rural unequalities to feel the economic benefits resulting from about trade with Brunei, Indonesia and Malaysia.

Divergent views

This is not to say that we haven't achieved any development at all. Mindanao-cum-is are growing at a favorable trend, as well as with other local industries. Likewise, we do see places, such as Tawi-Tawi and Ami-Mind Tawi-Tawi, forging ties in the BIMP-Eagta. And our major cities are breaking more ground in their respective competencies.

But as to economic trend growth, uniform distribution of development, regional dispersal, and reviewed growth brought about by cluster priorities, and the other objectives of the ADZ/EGC approach, these have not pushed through at the expected rate.

There may be divergent views as to why this is happening. Some blame it on the sporadic disruptions to our peace and order situation. Others say this is expected, that a hierarchy among areas is inevitable. I, on the other hand, believe that the regional dispersal we experience in some areas is the effect of the momentum of the initial push of the Mindanao 2000, and that it will eventually stop if we don't move now.

Nobody's at fault, really, for how can you concretize an abstract structure, such as an ADZ or an EGC, if there are no administrative mechanisms to oversee its implementation?

I suppose the reason why SOCSARGEN and CARAGA ADZs were turned into regions was to have accountable bodies of administrative body to implement its economic goals. What happened, instead, was the bureaucratic system of the old structure permeating to the new one.

In a previous article, titled "Making Plans for Mindanao" (), I suggested that we take from the Mindanao2000 only a new medium-term plan, one that would incorporate specific economic goals within the development strategies identified in the Medium Plan. In this plan, it may hold well to revive our ADZs. This time, however, we need to establish clear mechanisms to ensure the implementation of ADZ/EGC goals.

Continuation of existing programs

With the Department of Trade and Industry implementing an Industry Cluster approach to facilitating economic growth, the Technical Education and Skills Development Authority adopting technical skills development, the Department of Science and Technology supporting market-driven technology and other institutions coming up with complementary models for economic development, the ADZ/EGC concept can be further bolstered.

And let's not discount the fact that with Mindanao Airways still in the fields, we can at least count on consistency and continuation of existing programs.

So, with everything falling into place, there's no one to stop us from being "in the zone." Save for ourselves, that is, if we again conclude the ADZ and the EGC.

Jyji Rogero-Iturn is former chair of the Mindanao Business Council and a strong advocate of the region's development. Comments may be emailed to [address illegible].com

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Countertrade deals post ₱7.5B in gains

TRADE SECRETARY [illegible] said more than ₱7.5 billion in exports and investments through countertrade deals under the first term of President Macapagal-Arroyo.

This was reported by Philippine International Trading Corp. president Imelda Abad, stating that the countertrade program showed the firm commitment of the country's foreign suppliers to the principle of reciprocity.

Under countertrade arrangements, foreign suppliers facilitate the expansion of Philippine exports and help encourage the inflow of investments, capital and technology to priority sectors and export productivities.

PITC, the trading arm of the Department of Trade and Industry, is the chief implementing agency for the countertrade program.

Abad said that under the program, some ₱3.00 million worth of exports, investments, training and technical exchanges benefited the agricultural sector. These were brought about by the [illegible] promotion program handled by PITC.

Countertrade agreements for the supply of aircraft and rescue vessels for the Department of Transportation and Communications facilitated the reciprocal exports of sapphire, copper cathodes, fossil resin, and gifts and housewares. Purchases by the Philippine National Police, generated exports of processed meats, furniture, food products, accessories, herbs, bananas and various handicrafts.

Abad added that countertrade arrangements also helped realize exports to and investments from Thailand, New Zealand, Italy, Czech Republic, Australia, Germany, China and Malaysia.

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TAX PAYMENTS, EXPORTS

Ecozone firms face BIR audit

By Michelle V. Ramos

THE BUREAU of Internal Revenue is set to audit the tax transactions of and the export volume reported by economic zone locators on suspicion that they have been depriving the government of substantial revenue.

Revenue Deputy Commissioner Kim Henares told reporters that the move was prompted by reports that some firms located in economic zones might be underdeclaring their tax liabilities.

Finance Secretary Jesus Jurado earlier said some economic firms were declaring outward exports from their gross income to their income tax base.

Economic locators, mostly exporters, are granted various perks including tax exemptions. They are, however, required to pay a 5-percent tax on gross income.

Under the gross income tax system, only the costs of goods used in the production process are deductible from revenues.

The BIR official said that aside from tax avoidance, the volume of exports by economic locators would also be audited. She said the BIR would check whether economic firms really exported at least 70 percent of their production.

Under the law, economic firms should sell at least 70 percent of their production abroad in order for the tax privileges they enjoy.

While economic firms are required to pay 5 percent in gross receipt tax, the BIR issued in 1995 a revenue regulation that allowed foreign companies' regional offices located in Subic to deduct several expenses from their gross income.

The purpose was to promote Subic as a place for regional headquarters of foreign firms. Deductions allowed includes administrative and selling expenses, as if making them liable to only pay a 5-percent tax on net—and not on gross—income.

The BIR, however, stressed that Revenue Regulations No. 16-99 was only meant for regional offices in Subic, and not for other economic firms.

Stricter imposition of 3% GRT on taxi operators seen

By Clarissa S. Bados

THE DEPARTMENT of Transportation is studying a measure that would require taxi operators to issue receipts to passengers in line with the choice approved by the Land Transportation Franchising and Regulatory Board in August 2003.

Neither said the transportation agencies were just completing a series of public hearings before implementing the year-old circular.

"The new taxi metering system would help in part rid of the arbitrariness in the determination of the taxi, enable commuters to use the receipts for reimbursement and rate for the government additional income," said the transportation official.

Once the LTFRB order is finally implemented, all taxis in the country will be required to use special meters that could issue receipts. The meters will have to be registered with the BIR just like the cash register used by department stores and groceries.

The BIR said the government's tax collection from the transport sector, including taxis, was very low. The new option will optimize its collection from taxi operators, thereby increasing government revenue from the transport sector by 300 percent, said Tadeo.

Under the circular, the receipt should state the name of the taxi operator, its address, telephone number, tax identification number, the taxi's plate number and color-coded body number and the fare in force. Operators who will fail to comply with the order faces a fine of P1,000 or suspension of his certificate of public convenience.

Neither said that ordering taxis to issue receipts to each passenger would benefit passengers, the government and even the taxi drivers and operators.

"Drivers can earn through commission and salary basis. This will also increase the income of taxi drivers since only franchise holders can avail themselves of receipt. Passengers will also be given a way to track down erring drivers," the transport official said.

Napocor's Q1 electricity production up

By Abigail L. Ho

ELECTRICITY produced by National Power Corp. increased by 1.28 percent in the first quarter to 9,444.16 gigawatt hours (GWh), from 9,324.93 GWh in the same period last year.

Accounting for the bulk of first quarter production were Napocor's independent power producers, which generated 6,891.07 GWh, or 64.3 percent of the total power generated. Napocor's own and renewable plants produced 3,020.07 GWh.

Diagnosis-treated and operated plants contributed the remaining 33.5 percent, equivalent to 3,332.09 GWh.

By generation mix, coal-fired power plants were still the biggest power producers with a 27.91 percent share in the generation pie. They accounted for 2,637.26 GWh of power produced in the first quarter.

The Bataan, however, represented a decline from coal-fired plants' year ago contribution of 2,989.86 GWh, or 32.05 percent of the total generation mix in 2003.

Geothermal power plants were the second highest contributors during the period with 2,303.57 GWh, or 24.39 percent of the total generation mix. Their contribution to the generation pie dropped 0.1 percent from 24.29 percent.

The third highest contributors were the hydroelectric plants, which accounted for 19.65 percent of the total generation mix, a growth of 4.75 percentage points from last year's 14.90 percent.

From January to March, hydroelectric power plants generated 1,855.81 GWh from only 1,589.07 GWh in 2003.

Oil-based plants contributed 1,474.01 GWh to the generation mix, or 15.67 percent.

Our democracy is alive and well

QUESTIONS OF POLICIES

Honorio C. General

At 12:01 early morning hours of 30 April 1898, an American naval squadron under Commodore George Dewey raced out the Spanish fleet in Manila Bay. That ended 350 years of Spanish dominion and opened the half century of American occupation of the Philippines.

There is no doubt that, like all colonizers, the Americans ended up controlling business and economics, from in the construction industry, an American company would set up shop here for easier than a Filipino company could.

But, not home to admit, the Americans taught us how to set up a democratic nation. And the shortage wasted really enough.

The first municipal offices were elected in 1901, the first provincial offices in 1906. In 1907, the first nationwide election was held to choose 79 members of the first assembly, about 1,000,000 went to the polls. Although they accounted for 90 percent of the qualified voters, the turnout represented less than 2 percent of the population. There were no cries of fraud. I have not come across any record of how the votes were counted and canvassed. And, incidentally, there was no Commission on Elections.

Among those elected into the First Assembly, the most prominent were Manuel Quezon, Sergio Osmeña, Pedro Guevara, Vicente Singson Encarnacion and Juan de Ayala.

From those unsung first steps to 1935, Philippine democracy has evolved into quite a sophisticated system that we have today. The Filipino women won her rights as early as the 1920s. In Luz Rizy's elections, over 35 million voted in some 135,000 precincts all over the country. Pinoys a president, a vice president, 12 senators, 250 district and party-list congressmen, and over 20,000 other officials. The newest wrinkle was absentee voting.

No country in the Third World comes close to the Philippine experience in holding democratic elections. Often, some wise guy may say that we Filipinos have the election we have, as pointed out by the late Jose Rizal: we have elected every stick in the book. And when we compromise the electoral system, some leftist kid in grade school will find a way to fuck into it.

Anybody can make a list of what is wrong with our democracy, but there is one characteristic of our system, which we share with the great democracies like the United States, United Kingdom, and the European nations. I refer to the constant presence of a strong opposition.

In the First Assembly, the Nacionalista Party (Lambda) victory over the Progresistas (formerly Federalistas), 58 to 16. In every election since then, there has been a strong opposition. After the Philippines gained its independence in 1946, the opposition got re-elected, and Liberals broke the record.

None of the democratic nations in the Third World, even in Southeast Asia, can be proud of a strong opposition. In Singapore, the opposition holds four (or is it two?) lonely seats in the Parliament. In Malaysia, the second strongest man in the country is on trial for his life. In Myanmar, the winner of a national election has been under house arrest for some time.

All that noise in the last elections, including the televised congressional caucus, is part of the democratic process. Everybody had to have his say, from old time Commander Ester Ocampo just to his two cents' worth. But no matter how sincere the opposition, nobody gets jailed. There were no fatalities, although it would have enjoyed it if some of those congressmen traded blows on national TV. No. Oliver Cromwell barged in with a troop of cavalry to send everyone home and close the Congress doors.

There was more noise after the proclamation of the president and vice-president. But it is dying down. Peace will soon prevail. Our democracy will continue to evolve because it is alive and well.

Sy sues SSS

COCKTALES

Victor C. Aganon

Jazz could fit

FOLLOWING the success of the sassy-faced City Honda will unveil tomorrow a 1.3-liter hatchback, Jazz, also known in Europe as Fit.

The Japanese car manufacturer is betting that, with Jazz's ICM-like cargo versatility and its 1.3-liter pricing, Filipinos would overcome their historical resistance to hatchbacks.

Jazz is imported completely built from Thailand, which also supplies the engine with the right hand version.

Page 1 pass for Tap Gone

IF LOOKS like were the private jokes from Publisher's own news desk about their very own bigwig have now spilled over into the public realm.

Last Friday, page 2 of Inquirer Publisher's newspaper printed their publisher's unabashed ring-kiss announcing his being a guest speaker at a hotel event.

Shortly under Inquirer Publisher's visage is a 90 pkg about Prid 888, a dermatological group that said "in general an increased awareness on the science of male pattern hair loss."

The page editor—Cartoon is not making this up—even placed Inquirer Publisher's trusty pate beaming above Prid 888's slogan: "Be bold, not bald."

Guided tour

A EUROPEAN trip made by a "high ranking" Clark Development Corp. official and his comely female assistant—the CDC official allegedly shared hotel room with the lucky girl all throughout the business trip—is being blown into scandal proportions by the anti-CDC chair Emmanuel Angeles Dizon of the Sampaguita press.

Heard through the grapevine

THE SEAR between Sen. Juanby Madrigal and her slammed campaign and PR advisers have now resulted the latter, with the new senator even filing a string of words cases against one of his advisers.

The slammed aides, on the other hand, have been letting look at the billionaire business, chiefly by planting anti-Juanby snippets in the press.

(Email: yoh4ido_pdi@yahoo.com or ouch-tabe_pdi@hotmail.com.

Law allows . . .

to fold tent more in Congress

Under the old bill, motels and inns in Metro Manila were assumed to have a minimum occupancy rate of 80 percent. Occupancy rate of similar establishments outside Metro Manila was assumed at 50 percent.

The assumed occupancy rate would be the basis for computing income tax and value-added tax.

The legislator said the "sin tax" proposal would complement government efforts to come up with new revenue generation measures and ease the administration's fiscal woes.

The government's economic team has lined up several tax measures aimed at improving the government's fiscal position. The measures are set to be presented today by the economic team to President Macapagal-Arroyo, who will decide which among these will be pushed for legislation.

The tax measures include the imposition of taxes on alcohol and tobacco to inflation, P2 increase in tax on petroleum, the rationalization of fiscal incentives, the increase in the value-added tax rate to 12 percent, and the imposition of a franchise tax on telecom companies, among others.

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SEC vows continuous support in ensuring CAP's liquidity

By Elizabeth L. Sandoy

THE SECURITIES and Exchange Commission (SEC) is prepared to "step into the picture" and help put-need Firm College Assurance Plan Philippines Inc. in case it will not be able to find an equity investor to level up its asset fund.

The SEC said CAP was in talks with possible investors that could infuse up to $100 million in fresh equity into the pre-need plans.

SEC Chair Lilia Bautista stressed that the agency would only step into the picture if CAP would fail to find an investor. The key pre-is meet with officials of the pre-need firm to find out what is next steps are in ensuring its long-term liquidity.

"Stepping into the picture," Bautista said, would mean helping CAP look for investors, facilitating its merger with another company, asking its stockholders to put in fresh money or the company as well as assets.

In its financial report last year, CAP blamed the weak economic condition and the resulting decline in the peso-dollar exchange rate for its financial performance in the past years. It suffered losses of P1.0 billion in 2003 and P400.3 million in 2002.

CAP also said it was projecting a negative cash flow from operations this year.

"These factors among others raised substantial doubts about the company's ability to continue as a going concern," it wrote in its report.

GALVEZTA

To address the concern, the company's management is planning to implement an eight-year program to generate equity and liquidity to meet its obligations. The program called for a quasi-reorganization, capital build-up, the sale of assets and cost reduction programs.

The program will also include trust fund assets build-up, liability management, real estate development projects through joint ventures, loan programs and special surrender programs for nonperforming.

CAP believes that the program, if implemented, will allow it to continue operating. To cover for future educational pre-need requirements, CAP is planning to sell at least P3.4 billion worth of bonds backed up by the cash flow from the Metro Rail Transit project (See page).

Bautista expressed optimism the pre-need firm will have no shortfall in cash or liquidity given its financial plans.

The SEC boards, worth a total of P1.6 billion, are marketable, Bautista said.

Getting from the wrong pockets

NO FREE LUNCH

Cielito F. Habito

ALMOST LONG ago came to the conclusion that a major reason our economy has had great difficulty transforming the same dynamism that our dynamic neighbors have shown all these years is that we have the wrong people paying for the wrong things...and we make people pay what and when they should. Economists often talk of distortions in the market, and this is certainly one of them. I submit that through many years of mismanagement, our economy has had a host of "wrong" distortions that have held it back from achieving greater productivity and providing greater numbers of jobs for our workers.

Four questions

A basic answer in economics always starts by talking about the four questions every economy must face, regardless of the economic system that prevails. These are what to produce, how much to produce, how to produce them and for whom. A country can answer the task of answering these questions to the government, based on the (often wrong) premise that it would know the needs of the economy best. This was the approach taken by the Soviet Union, China, North Korea and a few others for many years.

The rest of the world lets the market system answer these four questions by itself. Adam Smith observed in the 18th century that the "invisible hand" of the price system enabling them the free interplay of supply and demand could answer these questions best. If society truly needs a good or service, demand would be manifested in a higher price, which would signal producers to provide more of it (what) and how much). If we have an abundance of labor relative to capital, the excess supply would keep wages down, which in turn encourages producers to choose more labor-using techniques than capital-intensive ones (how to produce). And those who are able to contribute most to production by providing more labor, skills, talent, or capital to produce what the consumers need or want also receive more income (for whom).

We know of scores that the former and the Chinese have long abandoned the command-economy route. Both North Korea policies in maintaining complete control, and the results have been disastrous. Nothing works perfectly, of course, and neither does the market system. There is such a thing as market failure, which is when government must play an important role to set things right. But I will leave it for later to elaborate on this.

Case in point: Energy

So much is wrong with our energy sector because the price signals have never been right. The problem goes back to the oil industry regulation days when the prices consumers paid for energy products reflected politicians's choices, rather than true market conditions. The Oil Price Stabilization Fund (OPSF) mechanism was a distortion because it only led to more drastic price increases when the politically set prices could no longer hold. But worse, the mechanism forced general consumers, whether or not they were significant consumers of oil, to pay for the purchases of oil consumers, including those of rich and/or wasteful ones. This happened because the OPSF had to be subsidized massively out of the government budget, the economic of holding back oil price increases too long for political reasons. This is why I shudder every time someone calls for a return to oil industry regulation.

We see the same situation now with electric power. Another power crisis is looming within a few years because of mismanagement of the price system in the electric power sector by entities (taxpayers are being forced to pay massively for purchases by power consumers, including (again) those of rich and/or wasteful ones. As the prices being allowed for electric power generation, or, rights-limiting increases would result in new power generation capacity (Separex's power rates, rather than reflect the actual cost of generating electricity, have instead reflected the preferences of certain political leaders who wanted like to look good to voters. But in the end, the same voters, regardless of their power consumption levels, pay even more than when direct power consumers should have paid to begin with. All this because the massive distortions that result from populist pricing, rather than market pricing, end up compounding the overall costs in society. And it certainly gets much more costly for all of us when a power crisis comes about as finally reaches its inevitable end as our investments in needed new capacity.

Getting from LGUs' pockets

Not a case of faulty price signals but a case of getting from the wrong pockets nonetheless is consumer's bright idea of having the local governments to give up a significant part of their internal revenue allotments (IRA) and "loan" it to the national government. This scheming offered as a short-term solution to the fiscal crisis our national government is facing...though no fault of the local governments, much less the people they serve!

But even the current finance and budget officials are denying there is the massive election spending that fueled government's expanded deficit targets. And here we're also, totally not talking of spending to conduct the elections, but the spending to celebrity "deliver public services" and "good governance" in name—or rather—at a time more before the the source of doing government work. How it is being proposed that the state of government best equipped to deal effectively and directly with our people's problems give up their money to pay for the sins of officials in Manila. Having seen so many good things happening at the local government levels, often in effective partnerships with local business and civil society. Using it is a mortal sin to make such a patent reversal on the devolution and decentralization that has demonstrably done good for our country.

I'll say get the money from the pockets of those who have caused our fiscal problems to begin with: the car owners and especially the public officials who through all those years put our money into their own pockets. (Comments: mail to: cielito@ateneo.edu)

BSP seeks . . .

The committee is made up of senior officials from the BSP that would act as liaison officers with Congress.

Reyes said it was crucial for the BSP to answer the queries on issues that affect the economy directly.

"We can immediately instruct our changes in the management, of course, to coordinate with PDIC [Philippine Deposit Insurance Corp.]," Reyes said.

Before the term of the last Congress expired, PDIC itself was able to amend its charter, which removed its authority to examine banks with prior approval from the Monetary Board.

The International Monetary Fund, in its recent post-program monitoring of the Philippines, said strengthening the regulatory powers of the BSP and PDIC were crucial in boosting the banking system.

Lackluster . . .

fueled by electronics.

"With this as backdrop, expectations for second-quarter corporate earnings are of an average of 20 percent but already widely reported as "discounted" by market analysts.

"Therefore, many market players still believe that a good earnings season is just what traders need to finally jolt the market out of its narrow trading range," he said.

Among the 40 performing listed stocks are Manila Electric Consolidated Inc., which recently sold its cement business and declared a P9 cash payout to stockholders.

SGI, the flagship company of the Phinma Group, sold its 21.5-percent stake in Union Cement Holdings Corp. to Cemex Holdings Inc., a company 40-percent owned by Holderbi B.V.

Also Ireland Corp., a 33-percent subsidiary of SGI, also operated in the red at the 20-09-centavo mark in Hong Kong to Lemos.

The total transaction was valued at $25.4 million consisting of $89 million for the direct holdings of SGI and $135 million for Arlac shareholdings.

The deal is expected to reach closing by Aug. 12. The selling price is equivalent to P23.03 per US$1C share based on a P53-$1 exchange rate. (Elizabeth L. Sandoy)

Smart to change revenue sharing deal with Piltel

By Clarissa S. Batino

SMART Communications Inc. will not be affected by the planned merger between Philippine Long Distance Telephone Co. to shift some of its wireless revenue to Philippine Telephone Co. starting this year to maximize Piltel's net losses.

"Smart will help cushion the performance of Piltel by changing the revenue sharing between the two companies starting this year," said Smart and PLDT president Napoleon Nazareno in an interview. "But since Smart would end up owning about 80 percent (of Piltel), the benefits would also accrue to Smart."

Nazareno said that since Smart has completed the process of buying the majority of Piltel from PLDT and changing the revenue structure, Piltel's value would be worth more than what Smart had paid for.

He said the new revenue structure would be finalized after Piltel stockholders ratify an increase in the company's authorized capital in September. This would pave the way for the transfer of about 80 percent (PLDT's equity in Piltel) to Smart.

"I think Smart would earn about 60 percent once the entire equity transaction is completed," Nazareno said. "PLDT would continue to have about 8 to 9 percent. Combined, the group would have 83 percent."

Smart bought a 47-percent Piltel block from PLDT at P3,066 billion or P6.50 common per share. Piltel closed at P1.92 per share on Friday.

"On a stand-alone basis, the value for Piltel is about 20 centavos per share," said Nazareno. "Smart is the one adding value to Piltel, so why should we pay for the value that we ourselves are adding?

"Once the entire process is complete, then the value is definitely going to be more than the 20 centavos we bought it for."

Smart is buying the bulk of Piltel from PLDT. The equity transaction would come in two stages, one is the purchase of 10 million Series K convertible preferred shares equivalent to about 47 percent, to be followed with the acquisition of 767 million common shares equivalent to about 45 percent.

PLDT has agreed to sell the Series K block at P3.066 billion. The common shares have yet to be valued, but if PLDT would sell it at market price, it should be about P1.3 billion.

Each of the Series K preferred shares is convertible into 170 shares of the common stock of Piltel. The 56 million Series K block is equivalent to 18.03 billion common shares at a purchase price of P2.866 billion. The share price for the Series K is used only at 20.59 centavos each.

"We haven't really done the level by which we would allocate the value to Piltel to take advantage of the Nolcos (tax breaks)," said the PLDT and Smart president. "So I am not sure if the current share price of about P1.90 per share is the current indicative level."

Currently, Smart is getting half of Piltel's revenues from both 07 Star for allowing the latter access to its network. PLDT chair Manuel Pangilinan said Piltel would likely exceed its target income of P400 million this year to take advantage of the tax breaks that would fall due.

Piltel has about P3.5 billion in net operating loss carryover, or Nolco, benefits incurred in 2000 and 2002. That should amount to tax savings of P4.2 billion this year and the next. Piltel's Nolco stands P10.17 billion booked in 2000 amid equity discount, and P9.36 billion incurred in 2002 amid large non-cash expenses.

Nazareno explained that Smart's decision to buy the debt of Piltel from creditors and its equity from PLDT had not changed the valuation of the debt-saddled but gradually recovering subsidiary of PLDT.

"Smart had become the major creditor of Piltel after we completed the debt swap," added Nazareno. "But Piltel's debt level had remained the same. After we have completed the equity transaction in Piltel, then the company's performance would be enhanced once Smart agrees to push some of the revenues to Piltel."

The wireless giant had completed the buyout of 49.4 percent of Piltel's outstanding P20.3 billion debt, which uses the first step in the debt and equity exchange deal that would consolidate PLDT's telephone interests in Smart.

Smart is now fulfilling the second step, which is to acquire the equity of PLDT in Piltel.

Smart is now Piltel's largest creditor, holding P289 million of Piltel's P12.7 million interest-bearing debt. Based on the options chosen by the participating creditors, Smart has issued to them P263 million in new debt and paid P1.3 million in cash.

After seven straight years of losses since 1997, Piltel finally returned to profit in the first quarter with a net income of about P8 million.

Piltel defaulted on its debt payments in 1998. It declared a debt moratorium on P12.1 billion of obligations at that time.

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Globe to spend P5B for landline expansion

GLOBE Telecom Inc. would spend about P5 billion between now and 2007 to roll out 140,000 fixed lines within and outside its existing service area, according to an application for expansion before the National Telecommunications Commission.

Globe's wholly-owned Innove Communications is asking the NTC for a permit to expand its fixed line business all over the country and become a nationwide local exchange carrier just like Philippine Long Distance Telephone Co.

PLDT Digital Telecommunications Inc. and even small fixed-line operators in the provinces are opposing Innove's application, PLDT-Smart Group Secretary said in a study that only PLDT and Digitel would survive in a weak fixed-line market. A Globe official said this was not so.

"The telco business requires a broader area," said Innove president Gil Imbing. "It is a misconception that there's no further growth for landline. On the contrary, we have to reallocate our resources to improve utilization."

He said Innove would use the fixed line business to improve broadband operations and bring the benefits of Internet to average households.

Innove is the wireless voice and data services arm of Globe. The company absorbed Globe Infinite, Globespan and another wireless brand Touch Mobile after the Ayala-controlled firm purchased Isla Communications Inc. from a group led by the Delgado family of the Visayas.

Innove is a losing subsidiary of Globe and the company would remain on the red until next year because of the investments it would pour into the landline business. Next year, the company is projected to post a net loss of P58 million.

But sales from the landline operations should grow robustly from P331 million to P1.5 billion as 5,000 voice silk for 145,000 lines have been installed, according to the Globe subsidiary. Clarissa S. Batino

UCPB gets nod to bid out P15B in assets

By Doris C. Dumlao

THE POLICYMAKING Monetary Board of the Bangko Sentral ng Pilipinas approved the plan of United Coconut Planters Bank to bid out P15 billion worth of non-performing assets or special purpose asset vehicles by next week.

Alberto Reyes, BSP deputy governor for bank supervision and examination, said UCPB would tender a combination of cash and subordinated notes from the sale of these assets, mostly consisting of real and other properties and acquired projects.

"They will be able to send of the investments under the SPV Law," Reyes said.

The SPV Law was enacted by Congress last year to help Philippine banks get rid of their non-performing assets by easing some of the rules and reducing fees otherwise collected in the sale or transfer of assets. It waived the documentary stamp tax, capital gains tax and expanded value added tax and likewise reduced the registration/transfer fees by 50 percent.

UCPB, which emerged from the Philippine Deposit Insurance Corp. a P30 billion rehabilitation package last year, set the auction for the assets on July 19. The transaction is expected to reduce its repos by 76 percent.

At least five foreign groups have committed to participate in the bidding, UCPB chair Hospicio Vitug said.

"These firms paid a fee in order to show their serious interest," he said.

The auction shall be done in six tranches, he added, meaning the assets would be placed in different baskets which each firm would bid for. The assets would now be removed by force to be bought by one investor in a single block.

As of the first semester, UCPB had sold P1 billion of its non-performing assets while another P500 million would be unloaded through two real estate brokers (he declined). But the biggest bulk of the bank's bad assets will be sold through the forthcoming auction.

Based on its 10-year rehabilitation plan, UCPB will channel the revenues to deposits and funds generated from the proceeds of asset sales to loans to the consumer and middle markets. This is to take advantage of the higher margins and lower risk exposures in these segments.

PHILIPPINE DAILY INQUIRER

LIFESTYLE

Editor Chole Bansil-Fermoso
Subeditor/Editor Lino Zubiaga

LONG known as a Rembrandt, it was only in 1911 that this painting by Dutch painter Jan Lievens was rightfully attributed.

THE LIEVENS and now eight-a-one by Jan Pieter Pauli Rubens sold for millions was hardly done in the record she series holds her $27 million.

When size does not matter

A small Vermeer is sold for $27 million, an art auction record

By Kitty Go
Contributor

LONDON—After 10 years of research, restoration and authentication, "A Young Woman Seated at the Virginals" (1670) by Dutch master Johannes Vermeer (1632-1675), originally estimated at $5.3 million, was sold at Sotheby's on Bond Street last July 7 for almost $27 million, making it one of the top 10 Old Masters paintings sold at auction and one of only 36 authentic Vermeers in existence.

It is also the first Vermeer to be auctioned in 50 years. The picture has been saddled with authenticity issues yet it is possible that it was one of a group of paintings sold in 1696 by Jacob Dissius, the son-in-law of Dutch star Rubens, known to be Vermeer's most important patron, as illustrated in the novel and film, "Girl with a Pearl Earring."

The tiny painting, the last Vermeer left in private hands, measures merely 10" x 8", so bigger than the catalogue that covered it can be sworn for the Old Masters Painting sale. Long before today's popular cultural fascination with Vermeer, his then long-forgotten body of work was first rediscovered by the French art historian Thore-Burger in the 1860s.

There are several reasons why Vermeer, despite his genius, was forgotten. The first is, of course, cruelty, as most scholars believe that the 34 existing pictures today already accounted for majority of his work.

Second, he has been known to work slowly and seemed not to have passed on his knowledge to apprentices or successors. The precise techniques of pigments and subtle shadings could only be learned by direct apprenticeship.

There is also no proof of apprenticeship, which, at that time had to be registered with local art guilds. Later works in his style by other artists also were unknown, another proof that he did not pass on his skill to anyone.

Unpredictable

Before the Vermeer was sold, one painting, Jan Lievens' (1607-1674) "A Tronie: A Study of the Head and Shoulders of an Old Bearded Man, Wearing a Cap" (1631), created a buzz in the sale room. It seemed to be the Dutch art historian's (Kyle-Lievens') to come. Long considered and published to be by Rembrandt, it was only rightfully attributed in 1911. Estimated to sell for $150,000-$200,000, it sold for almost 10 times the estimate at close to $2 million.

Two estimated pictures of completely different styles and periods made such interesting cases for Old Masters as an investment.

THE HIGHLY controversial "A Young Woman Seated at the Virginal" by Johannes Vermeer, the last in private hands, sold for five times its estimate, making it one of the top 10 Old Masters sold at auction.

Portrait of ugliness

"I HEY Know That I Know"

"SELF-PORTRAIT with Cigarette"

By Consuelo C. Tejero

THE PORTRAITS of Jose Tence are of monstrous faces, but they're depicted with such physical intimacy they are mistakenly belong to the human race. They look ugly and alienating yet you feel they're part of the continuum; you know these people, each face has a story to tell.

And, indeed, the faces tell numerous stories in "About Face," his exhibit of 25 pieces in acrylic on canvas and mixed media on paper, July 16-25, 10 Galerie Artis, 2/F LBL Business Plaza, 2331 Nicanor Garcia St., Bonanza, Bel-Air II, Makati City.

All pieces are characterized by rough and forceful brushstrokes, outside colors, dark tones, their application of paint. These are swirling close-ups of faces, the emotions magnified by the nightmarish intensity of the lines (chiefly red, yellow, gold, blue, black, brown).

The colors are particularly incandescent in the highlights and accentuation, such as the artist reveals on the infamous brown skin, the whites of the eyes, the redness of the head dress, in "looking to the future."

The subject's identity or origin is sometimes hinted at in the background, a glimpse of the sea suggests the portrait is of a fisherman, while a patch of green says it's a peasant.

But often the faces are observed in extreme close up so that the background practically vanishes. Or it is replaced by streaks of blood red, electric blue, pitch-black—as if these people were denizens of the subway.

The nightmarish quality is almost semi-surreal, as in "Likasan," "They Know That I Know," "The Eyes I Remember," "How Long Does It Take to Grow Memory?"

Even in a piece like "Sayaw," the insights of the face is unpleasant, almost monstrous, reinforced as it is by rows of menacing teeth.

Rizal's art, understandably, has been influenced by his favorite artists, particularly the leading Filipino practitioners of Figurative Expressionism, Cesar Legaspi and Jimmy Dalena—as well as Raul Lafuente, Emmanuel Garibay, Hector Bel Ferrater, and the subject of them all, Jose Legaspi.

"HOW Long Does It Take to Grow Memory?"

He also expresses admiration for Lucian Freud, Ce Kooning, the Op Art pioneer Victor Vasarely, the Neo-Expressionist Francesco Clemente. Viewing his pieces, we are repeatedly reminded of Freud's unveiling portrayal of the human flesh.

But we can see in them the dramatic intensity of the works of Ernst Kirchner, the "shuddering perverse treatment of subject and horrific Catacombs of the human torso" by Francis Bacon; the violent manipulation of paint by Frank Auerbach, Leon Kossoff, Oskar Kokoschka.

Rizal also does abstract, though not as extensively as figurative.

"I like the De Kooning style," he says. "I like it when the modeling paste is mixed it on the surface of the canvas."

Rizal took up Fine Arts, major in Advertising, at the University of Santo Tomas. He is called Lolit Solinap's partner in lightscreen Photo Design.

A multi-awarded advertising photographer, he has been painting for only four years. This is his first solo show, but already he paints like a master.

"LOOKING on the Future"

Young Lebajo's ode to joy

By Gino Dormiendo
Contributor

IN THIS SHOW of new paintings, multi-awarded artist Nikolas Lebajo marks two epochal events in his life—his marriage last year and the birth of his first child this year. To corroborate these, Lebajo has taken up the daunting challenge of a room full of visual configurations that is fun and up.

The main subject of the show "Bergharan" (Galerie Joaquin, until July 15) are ancient Mediterranean jars and the evening attire and all, earning bowls, various engine and ancient Europe. Long fascinated with jars and bottles as vessels and containers of the life-giving elixir, Lebajo has finally succumbed to the lure of the amphorae.

Compared to the more dramatic renderings in his past shows, these bring visuals fresh off the artist's desk, more so with the wide assortment of sizes, shapes and textures in over two dozen canvases.

Like Sir Isidro Rizal, who likes the solid shapes of marvelous with hard edged realism to create more expressive, jolted, unsettling images, Nikolas is himself endowed with an unerring figurative eye.

But given the postmodern predisposition which simply would not allow the artist to use the Dionysiac line for its own sake, and considering his native edgy view of nature, she usually has elevated the images to a veritable show of perspective and pathetic, and of the baroque imagination that looks within these works.

The amphorae come in all possible shapes, mostly in combination with other objects such as bowls and pieces and miniature jars which makes the show of contrast all the more beguiling.

Lebajo has also astutely kept their shows under check, perhaps to give way to the more salient aspects of color and texture. But what makes them most interesting is the way they have been stopped, arranged and laid out in curious settings, on tables or floors—as just the make believe goes.

The artist has created a self-portrait in one of the bigger jars, his face quietly emerging from the contour of the amphora, proof that it is he who has breathed life into these vessels and, with paint and brush, has given each jar a new lease on life.

Not to be ignored is the dramatic interplay of reality and fantasy elements that merge, fuse and coalesce in the profusion of magical realism.

This show is truly a show to be savored by the florid elements which seem to pop out effortlessly. Some claim that what he has painted are destined within the domain of the still life. Lebajo makes use of flowers from the same relative—poppies and still others wildly sprouting from somewhere.

The viewer can see and discover in every piece the magic of colors without having to go outdoors.

E-mail feedback to gdormiendo@yahoo.com

CLOCKWISE from top: "Amphoria," "Kanto Mesa" and "Still"

AAP holds exhibit with US-based Pinoy artists; to join Korean biennial

THE AIM Association of the Philippines (AAP) has lined up exhibitions with the Society of Philippine Artists in America (SPAA) and the Baron Fine Art Association.

"Behold! As One" will run till July 20 at the CIBO Bldg. annex of Ayala Museum, showcases works of AAP and SPAA members.

The SPAA artists include Lenore Lim, Manuel Bolongaro Sr., Ernesto Avelino, Lino Ballesteros, Marlene Bankhoff, Mary Constelo, Didi Dee, Cesar Delos Santos, Oscar Dizon, Joe Duncan, Leonardo Endaya, Belen Mahilum, Emilio Montero, Jesus Orozco and Manuel Santos.

Representing the AAP are its officers and board members.

On July 13, Aug. 1, the Asian Art Festival and Korea Fine Art Biennial takes place in Chongsan Gu, Seoul, Korea.

The Philippine delegation is composed of Pedel Quisumbing, Bado Consuegra, Bal Arreguesa, Fred Ramirez, Danny Santiago, Mercelita Avendilla, Chanito Situnga, Noel Cancerero, Bonito dela Cruz, Ric Delano, Sandee Abarca, Tim Cordia, Reidy Ching, Ricleto Dolabo, Tom Buquicog, Cabey Cabiaso, Nanda Gomez, Renee Jimenez, Boots Lorna, Leo Mendoza, Elmer Oliva, Bin Sumaoang, Jeffrey Tolentino, Russell Wenzel and Jesly Wenzel.

Homebody . . .

Viewers, page C10

[illegible] two, I was wrong."

Pretend it all just the play room, showing Vergara's son hiding in boxes or clothes against walls with graffiti of childish doodles. His colors are lessons, whites and grays.

The boys are outside a wooded berm against a bright-yellow backdrop with protagonists two, each of whom appears to be in a box. The work marks the transition to the livelier hues he now prefers, as in his triptych.

In all three, the children are nude, by artist's choice, he explained. Mariana runs the risk of his protagonist's ire, taken upon adolescence they realize that their privacies have been tested, however innocently, to the un public.

His studio savvy, however, is intact. Those who have met his wife and children attest to the exact likenesses he conjures on canvas. Their features, in their facing Pilipino or in their features—effortlessly universality to representational forms.

The rest of the collection are smaller. Hung side by side, and you can step off the other, forming a rectangular puzzle of square pieces. The "board" itself is somewhat, perspective lines sometimes changing to show that the subject is by a corner or at the junction of a corridor, revealing that they are, indeed, "homes," as the exhibition is dubbed, which runs until July 16.

Shift

A cause for celebration to the adult or adult sculptors, though still regular watch the evolution of being at home.

The loveliest product in front of its treehouse staring as he gazing at imposingly existence that clearly home and his favorite real recluse constantly.

The base that seems unused, set against a corner, indicates pleasant station and may inhabit to found or leaving home, as if to say it is to be worn only if the door found at once. One may be reminded of boxes and easy to glass cases, to be broken only in emergencies.

Certainly the box occupants vary, from a teddy bear, a wood bowl or can, to use "overlaps running each other's strength with the bubblegum binding their backs together. Glass has taken to exploring a myriad of functional interiors with the [illegible]

E-mail feedback to jp_pava2002@yahoo.com

BIFFED Insi still reeling. The high price paid for Cornelis Isinet's "Susanna and the Elders" shows that even with glaring damages, a beautiful picture will always find a buyer.

ARCHDUKE Leopold Wilhelm, original owner of "Susanna," in his gallery

S&T, stink and in misery Dutch painter Jan Havicksz Steen paints a scene of merriment among members of amateur arts societies. The vibrant painting caused energetic bidding from $72,000 to its final sale of over $400,000.

When size . . .

Story on page C2

One was "A Maid of the Church Tower" (Hoorentoren Meyr a Tours Tours" by Dutch painter Jan Havicksz Steen (1626-1679), which depicts a scene of merriment among theAmsterdam in members of amateur literary societies. This very painting was estimated at $136,000 to $2,000 with the opening bid at $72,000; it sold for over $400,000, four times the estimate.

Doubly interesting is the tale of "Susanna and the Elders" by Antwerp painter Cornelis Isinet (1597-1655) despite its condition. This large work (85" x 42") may have been originally owned by Archduke Leopold Wilhelm, governor of the Southern Netherlands in 1647-1656.

But the only record of this provenance is not from inventory records but from a painting by David Teniers the Younger dated 1652, which shows the Archduke in the Archducal picture gallery with a painting similar to "Susanna and the Elders" hanging among the collection. On top of the dubious provenance, there is a huge, visible copyright on the canvas of the painting.

Despite all of the above going against it, the eleven week of art sale far rose to $400,000, almost 10 times its opening bid of $36,000 and more than quadruple its estimate of $60,000-$80,000.

One disappointing (at least, to me) side note of even might seem and absolutely lifeless picture by Sir Anton Van Dyck (1577-1641), the much-copied "A Night Scene with an Old Lady Holding a Basket and a Candle, a Young Boy at Her Side Also to Light his Candle From Hers." It was minor ally passed on all on several panels.

The picture was estimated at $2.5-$3.5 million and sold within the estimate at about $4 million. (This is a "low" for Rubens, who holds the Old Masters record sale of $77 million for "Massacre of the Innocents" sold in 2002.)

In provenance from the artist comes from a post-humous inventory in 1640 and one of its last sales was for 13,000 pounds (about $65,000) in 1965, also by Sotheby's.

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Sewing is art in new contest

SINGER sewing machine is bringing art into sewing via a nationwide contest, Stitching on Canvas, until Sept. 30.

Contestants may plan each colors, applying their artistry on a favorite design, and carefully lay out the details through well-crafted embroidery.

Maria Nugent, Singer's marketing services manager, said the contest should dispel the misconception that sewing is merely stitching.

"We wanted people to realize that sewing, especially with zigzag, offers wide range of stitches and embroidery making in be appreciated," she said.

Stitching on Canvas prizes sewing in a different light. It is not just a hobby is be expressed in the confines of one's home, but also a creative way of sharing the joy of sewing with others.

The 20 is expected to draw participants from homemakers, sewing enthusiasts, especially zigzag machine owners all over the country. All entries will be embodied in Rhinite and judged according to research. It's 10 tenths of variety of stitches applied on actual garment, choice of colors and quality of creative as well as overall impact.

Deadline for submission of entries is Sept. 30. Call the Singer customer hotline at 1-800-139-0865® (346437) for personal assist. and SEWS® for More Details.

What makes this Vermeer the real deal?

SOTHEBY'S European Arab Henry Wyndham assistant Johannes Vermeer's "A Young Woman Seated at his Virginals" in the packed London sale rooms.

BARON Frederic Reiset of Rossinch, the last owner of "A Young Woman Seated at the Virginals," approached Sotheby's in 1901 with the request to research on the picture. The research took 10 years and involved conservators, art historians, academics and dealers.

Sadly, Baron Reiset died in 2002 without seeing the fruit of the research. (I have drawn of the extensive research into provenance and authentication to simplify technicalities and facts and put some chronology into the authentication process.)

Provenance

1696—Jacob Dissius, a Delft headsellor and painter, sells 21 pictures by the latest possibly hundred drawn to him by his father-in-law, Pieter van Ruijven, Vermeer's patron made famous by the film "Girl with a Pearl Earring." (The catalogue was not detailed enough to identify this painting as such but lot 37 was labeled "A Woman Playing at the Virginals" which could either be this or another two have works now at the National Gallery in London.)

1814—A sale in Amsterdam yields the picture. (No lists with dimensions of 8" x 28" but with errors in the description, saying it was on a panel and not on canvas as this picture is.

1904—The picture appears in a catalogue of the collection of South African diamond magnate Alfred Beit, who also owned another Vermeer, "Lady Writing a Letter." Beit had a collection that could rival their major American collectors Frick and Mellon. The painting then passed on within the family until 1965.

1965—Sir Alfred Beit, grand-nephew of Alfred Beit, consigns the picture to London gallery where its last owner, Baron Bolin, buys it, fully aware of its questionable provenance. He sells valuable paint tips from Elvis and Rembrandt from his collection to acquire this picture.

1993—Baron Bolin asks Sotheby's to research on this painting, which takes 18 years.

2003—Baron Bolin dies and the painting is now put up for sale by heirs.

Authentication

Until around World War II, there was no question of the authenticity of "A Young Woman Seated at the Virginals."

However, in 1947, when master forger Hans van Meegeren admitted to selling no less than seven fake Vermeers to unsuspecting museums and collectors, a leading scholar of that time, A.B. de Vries, published his doubts about this particular picture. Since then, its authenticity was highly debated.

Sotheby's Old Masters specialist Gregory Rubinstein decided that the best way to authenticate the picture was to compare it with the other two pictures of the same title at the National Gallery in London. (Although the other two are bigger paintings, they have striking similarities with the picture, such as: the expression on the pianist, use of perspective, and the upper left-hand light sources.)

In 1996, a comparison between the study began, which involved the cleaning of, among other elements, the paint and the canvas.

The three most significant pigments in this picture were lead-tin yellow, green earth and ultramarine. Lead-tin yellow is evident in the girl's shawl, was widely used from the Middle Ages until the 17th century.

Green earth was found in the flesh tones of this picture. Though rarely used by 17th-century Dutch artists, it figures prominently in Vermeer's other works.

Ultramarine, made of lapis lazuli, was the most expensive pigment available at that time. It was rarely used, and if ever it was, it had to be visible. In the case of "Dreams," he used it subtly blended in the wall and back of the chair, an extravagance not seen outside of his work.

The rough canvas of this painting is very similar to that of another of Vermeer's small works, "The Lacemaker," which hangs in the Louvre. The painting layers of both paintings are also very similar. They not only may have been prepared at the same time but may also have been cut from the same bolt of cloth.

Another fashionable fact is that the engine barcode dates the picture to 1665. Although there is a question of when exactly finished the chapel of the painting, experts, including Tracy Chevalier, author of "Girl with a Pearl Earring," claim it is still highly likely a Vermeer because, based on certain family pictures, the model in this painting has a striking resemblance to Vermeer's daughter Elisabeth.

KIM SE

"INDOOR" series

Homebody points to outdoors

"INDOOR"

By Jessica Jalandoni Bolaños
Contributor

AT The Big & Small Art Co. along the Arterials of Megamall, one can see from the outside the all-glass frontage a life-size depiction of what artist Olan Ventura craves most when at home: The painting beckons to the viewer, a "Welcome" feel mat inviting the viewer into his abode.

The piece is a diptych, one panel showing a man with a child on either side, bare-backed audience to the animated film "Finding Nemo" playing on a wide-screen television. They watch while immersed in a unflappable kiddie pool, seemingly oblivious of the agoraphobic woman on the narrower right-side second panel. She stands carrying a tray of glasses full of juice.

This, as Ventura, in the meaning of comfort—bonding with his growing children, and a wife ready with goodies to eat and drink.

Perhaps unbeknownst to the artist is the social realism he partakes in this particular work. Dim may see his constant portrayals of his wife as a form of veneration, but here he actually captures the plight of many women vis-à-vis homemaking and motherhood.

Olan Ventura still paints his family but signals a journey out

Notable is the dominance of the lone female, face bereft of expression, staring unwaveringly head bent. There seems an air of desolation about her.

What connects mind, whether or not Ventura had purposely requested such a pose, is a larger theme—the hypocrisy of homeowners, the suppression of short playing out a role to the point of doing chores mechanically like an automaton.

Some do revel in this nurturing and the labors that come with it. The hum of conversation, though, clutches with the assumption that care-giving is her be-all and end-all, her fulfillment. That there is nothing beyond the scope of what others, no matter how significant, want of and from her.

Shades of "Kramer vs. Kramer," where Dustin Hoffman explains to his young son why Meryl Streep, as his wife, left them, saying, "I thought just because I was happy she was happy.

"INDOOR" series